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REPORT OF THE SELECT COMMITTEE

APPOINTED TO INVESTIGATE

A. K. Maclean
Chairman

THE CONDITIONS AND GUARANTEES UNDER WHICH
THE DOMINION GOVERNMENT PAID MONEYS TO THE

QUEBEC BRIDGE COMPANY

&c., &c.

ALSO WITH

MINUTES OF PROCEEDINGS AND MINUTES OF EVIDENCE

(REVISED EDITION)

PRINTED BY ORDER OF PARLIAMENT



OTTAWA

PRINTED BY S. E. DAWSON, PRINTER TO THE KING'S MOST
EXCELLENT MAJESTY

1908

[App. No. 6—1908.]

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SELECT COMMITTEE ON QUEBEC BRIDGE

ORDER OF REFERENCE.

HOUSE OF COMMONS,

WEDNESDAY, February 5, 1908.

Resolved, that a Select Committee composed of seven members of this House be named for the purpose of investigating the conditions and guarantees under which this Government paid moneys to the Quebec Bridge Company and endorsed or guaranteed the bonds of the said company, and what measures were adopted by the Government to ensure the preparation of suitable plans of construction and the proper execution of the same, and what security the Government at present possesses for the sums already received by and guarantees given to the company.

That the said committee be empowered to send for persons, papers and records, and to employ a shorthand writer to take down such evidence as the committee deem necessary, and that the evidence be printed from day to day for the use of said committee, and that Rule 72 be suspended in relation thereto.

Attest.

(Signed) THOS. B. FLINT,
Clerk of the House.

THURSDAY, May 14, 1908.

Ordered, that the said committee be composed of Messrs. Maclean (Lunenburg), Talbot, Galliher, Chisholm (Antigonish), Monk, Barker, Walsh (Huntingdon).

Attest.

THOS. B. FLINT,
Clerk of the House.

MONDAY, June 1, 1908.

Ordered, that the said Committee have leave to sit while the House is in session.

Attest,

THOS. B. FLINT,
Clerk of the House.

7-8 EDWARD VII., A. 1908

THURSDAY, June 11, 1908.

Ordered, that the Return in answer to an Address to His Excellency the Governor General of the 12th December, 1907, for a copy of all Orders in Council, correspondence, reports, memoranda, papers and documents, since the 1st day of January, 1900, relating to the Quebec bridge, including all reports and Orders in Council relating to the plans and specifications for the works of the undertaking or to any approval thereof by the Governor in Council, or by the department of Railways and Canals, the same being Sessional Paper No. 154a.

Attest,

THOS. B. FLINT,
Clerk of the House.

FRIDAY, June 12, 1908.

Ordered, that the Report of the Royal Commission on the Quebec Bridge Inquiry, together with the evidence (Sessional Paper No. 154), be referred to the said Committee.

Attest,

THOS. B. FLINT,
Clerk of the House.

SELECT COMMITTEE ON QUEBEC BRIDGE

REPORT

HOUSE OF COMMONS,

WEDNESDAY, July 15, 1908.

The Select Committee of the House of Commons appointed for the purpose of investigating the conditions and guarantees under which the Government of Canada paid moneys to the Quebec Bridge and Railway Company, and endorsed or guaranteed the bonds of the said company, and what measures were adopted by the Government of Canada to ensure the preparation of suitable plans of construction and the proper execution of the same and what security the Government at present possesses for the sums already received by and guarantees given to the Company, beg leave to present the following Report, viz.:—

1. The Quebec Bridge Company was incorporated in 1887 for the purpose of constructing a bridge across the St. Lawrence River, at or near Quebec City. By subsequent legislative Acts the Company's charter was revised and amended, and by Chapter 177 of the Statutes of 1903, the name of the Company was changed to the Quebec Bridge and Railway Company.

2. In 1889, a subsidy of one million dollars was voted by the Parliament of Canada to the Quebec Bridge and Railway Company, towards the construction of the bridge. Of this subsidy, \$374,353 was eventually disbursed to the Company. The sum of \$250,000 was granted as a subsidy to aid the construction of the bridge, by the Government of the Province of Quebec, and \$300,000 by the City of Quebec for the same purpose.

3. In 1900 the Quebec Bridge and Railway Company entered into a contract with M. P. Davis, for the construction of the substructure, and in 1903, it entered into a contract with the Phoenix Bridge Company, of Pittsburg, U.S.A., for the construction of the superstructure.

The plans and specifications of both were approved by the Department of Railways and Canals, of Canada, by C. S. Schreiber, its Chief Engineer.

4. On October 19, 1903, an agreement was entered into, between the Government of Canada, and the Quebec Bridge and Railway Company, which said agreement is fully set out as a schedule to Chapter 54 of the Statutes of Canada for 1903, which Act confirmed said agreement, whereby *inter alia*, the Company released any claim to the unpaid balance of the subsidy of one million dollars voted in 1889, and the Government of Canada, agreed to guarantee the payment of the principal and interest of the bonds, debentures or other securities of the Company, the amount not to exceed \$6,678,200, which amount was considered necessary to liquidate the liabilities of the Company as of that date and complete the construction of the bridge.

The Company was also obliged under the agreement, to procure a surrender of the stock of the Company held by subscribers, and which had not been fully paid, and to deliver in substitution therefor fully paid stock for the amount actually paid on such shares, and which amounted to \$65,585.70.

The Company by this agreement also undertook to procure subscribers for additional stock, to the amount of \$200,000, which was to be fully paid prior to the issue of any bonds bearing the Government guarantee.

5. The Company fully complied with the provisions of the agreement regarding the substitution of fully paid shares for partially paid shares held by subscribers to that date, and also procured the subscription of \$200,000 of additional stock.

6. The Company issued in 1904, and in the following two years, bonds to the value of \$6,678,200, which were guaranteed by the Government of Canada, and upon which issue of bonds as collateral, the Company procured advances from the Bank of Montreal, to the extent of \$5,016,066.

7. It was urged before the Committee that contrary to the provisions of the agreement ratified by Chapter 54 of the Acts, 1903, the issue of the said bonds preceded the payment of the \$200,000 of additional stock by reason of the fact that a cheque of M. P. Davis given in payment of subscription of stock, in the sum of \$94,900 was not immediately converted into cash and that there was, therefore, in this respect, not a compliance by the Company with Section 4 of the agreement of October 19, 1903.

The Company regarded the cheque as cash, and certified to the Government that full payment of the \$200,000 of additional capital had been made, and the Government, thereupon, guaranteed the issue of the bonds above referred to.

The full \$200,000 had not, as a matter of fact, been placed by the Company to its credit with its bankers at the time the bonds were guaranteed, although a cheque sufficient to make up the amount was then held by the Company as above stated. Subsequently, the cheque was placed to the credit of the Company and the full \$200,000 was used by the Company for the purposes of the undertaking.

8. The matter of the suitability and character of the plans of the bridge, both as to the substructure and the superstructure, the methods and system of inspection during the construction and kindred and allied questions, has been the subject of investigation by a Royal Commission, subsequent to the destruction of the bridge in August, 1907. The Report of the said Royal Commission being now before Parliament, your Committee deem it inadvisable to make any comment in relation thereto, particularly as the questions involved are largely of a technical character.

9. The whole undertaking of the Company is mortgaged to secure the Government guaranteed issue of bonds. Of these bonds the Government now holds approximately \$2,330,000 of the whole issue of \$6,678,000. The balance of the same is held by the Bank of Montreal which claims as of April 30, 1908, against these bonds, the sum of \$3,773,223.71. The bank is under obligation to the Government to deliver the balance of the bonds to the Government on payment of the balance of advances and stipulated interest.

Under Chapter 35 of the Acts of 1903, the Government is empowered to advance to the Company, money to release from the pledging to the bank, the bonds in question, and under this legislation, the \$200,000 referred to was advanced and a proportionate amount of the bonds was received by the Government as above stated.

When the Bank of Montreal is paid its claim by the Government, the Government will possess the whole bond issue and will have an undivided lien upon the substructure of the bridge and approaches, including the Chaudiere bridge and a large amount of delivered material. The substructure cost over \$1,000,000, and the approaches referred to, over \$1,000,000, and the value of the delivered material amounts approximately to \$1,000,000.

Your Committee also beg to submit herewith for the information of the House, the minutes of their proceedings, the evidence taken by them during the enquiry, and the exhibits filed in connection therewith; and recommend that the exhibits be not printed.

All which is respectfully submitted.

A. K. MACLEAN,
Chairman.

SELECT COMMITTEE ON QUEBEC BRIDGE

MINUTES OF PROCEEDINGS

COMMITTEE ROOM,

FRIDAY, May 22, 1908.

The committee met at 10.30 o'clock, a.m.

Present: Messieurs Barker, Chisholm (Antigonish), Galliher, Maclean (Lunenburg), and Monk—5.

On motion of Mr. Galliher, Mr. Maclean (Lunenburg), was chosen chairman.

The Chairman read the Order of Reference.

On motion of Mr. Monk, it was ordered that Mr. Ulric Barthe, secretary of the Quebec Bridge Company, be summoned to appear before this committee at its next meeting and to produce before the committee the said company's book of minutes of its meetings, its books of accounts, its contracts with regard to the works of construction of the said Quebec bridge, and contracts and agreements for loans and advances, its stock register and books connected therewith; the said company's correspondence with the Dominion government and members thereof in reference to all matters and things connected with the said Quebec bridge; and all papers and documents generally having reference to the construction and completion and the providing of the necessary funds for defraying the cost of the aforesaid bridge.

The committee then adjourned till Tuesday, June 2 next, at 10.30 o'clock, a.m.

Attest,

N. ROBIDOUX,

Clerk of Committee.

COMMITTEE ROOM,

TUESDAY, June 2, 1908.

Committee met.

PRESENT—Mr. Maclean (Lunenburg), in the chair; and Messrs. Barker, Chisholm (Antigonish), Galliher, Monk and Walsh (Huntingdon.)—6.

The chairman laid on the table a return to an Order of the House, dated December 12, 1907, for a copy of all Orders in Council, correspondence, reports, memoranda, papers, and documents, since January 1, 1900, respecting the Quebec Bridge, &c.

Mr. G. A. Bell, of the Department of Railways and Canals, laid on the table original papers giving report and evidence submitted by the Commissioners of Inquiry into the Quebec bridge collapse, in 3 vols. Also a roll of plans.

Mr. Ulric Barthe, secretary of the Quebec Bridge Company, was called, sworn and examined (in part) by Mr. Monk.

Witness' examination discontinued, pending the arrival of the papers called for by his summons.

Committee rose to resume at 2.30 o'clock, p.m.

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2.30 o'clock, p.m.

Committee resumed.

Mr. G. A. Bell, of the Department of Railways and Canals, laid on the table certain papers used by the Royal Commission in the course of their inquiry at Quebec, which were sent at the close thereof to the Railway Department at Ottawa.

Also, a printed copy of the report of the Royal Commission on the cause of the collapse of the Quebec bridge—which was filed and marked as Exhibit No. 1.

Mr. Barthe having produced the books of accounts, &c., of the Quebec Bridge Company, the members of the committee proceeded informally to the examination of the same.

The committee then adjourned until Tuesday next, 9th instant, at 11 o'clock, a.m.

Attest,

N. ROBIDOUX,

Clerk of Committee.

HOUSE OF COMMONS,

COMMITTEE ROOM 32,

TUESDAY, June 9, 1908.

Committee met.

Present—Mr. Maclean (Lunenburg), in the chair; and Messrs. Barker, Chisholm (Antigonish), Galliher, Monk and Walsh (Huntingdon)—6.

Mr. H. T. Ross, assistant deputy minister of finance, in attendance before the committee on behalf of the Finance Department, was given leave to put questions to witnesses, if such be deemed necessary, to facilitate the enquiry.

Mr. Barthe, secretary of the Quebec Bridge and Railway Company, was recalled and further examined by Mr. Monk and others.

During his examination, the following papers, &c., were filed and marked as—

Exhibits Nos. 2, 3, 4, 5 and 6—Five bank books of the Quebec Bridge and Railway Co.

Exhibits Nos. 7 to 16, inclusive—Ten cheques aggregating the sum of \$5,000 deposited to the credit of the Quebec Bridge and Railway Co., by the directors thereof.

Exhibit No. 17.—Copy of resolutions of shareholders and minutes of directors referring to same, in connection with annual grant of \$5,000 to the directors of said company for attendance, &c.

Exhibit No. 18.—By-laws of the Quebec Bridge and Railway Co.

At one o'clock p.m., committee took recess.

Four o'clock p.m.

Committee resumed.

Mr. Barthe's examination was continued by Mr. Monk and others.

During his examination, the following documents were filed and marked as—

Exhibit No. 19.—Agreement for advances dated 23rd Feb., 1904, between the Quebec Bridge Company, the Dominion Government, and the Bank of Montreal.

APPENDIX No. 6

Exhibit No. 20.—Copy of contract for superstructure between the Quebec Bridge Company and the Phoenix Bridge Co.

Witness retired, but to remain in attendance.

Resolved, that the committee proceed to the examination of Mr. G. A. Bell, assistant accountant of the Railways and Canals Department, at its next sitting.

Committee then adjourned until tomorrow at 11 a.m.

Attest,

N. ROBIDOUX,
Clerk of Committee.

COMMITTEE ROOM No. 32,
Wednesday, June 10, 1908.

Committee met.

PRESENT :—Mr. Maclean (Lunenburg), in the chair; and Messrs. Barker, Chisholm (Antigonish), Galliher, and Walsh (Huntingdon)—5.

Mr. H. T. Ross, assistant deputy minister of Finance, and Mr. G. A. Bell, assistant accountant of Railways and Canals Department, were again in attendance.

Resolved, that Mr. J. H. Paquet, treasurer of the Quebec Bridge and Railway Co., in attendance before the committee since yesterday, be formally summoned to attend as a witness.

Mr. Barthe laid on the table two statements he was yesterday requested to prepare for the committee—which were filed and marked as

Exhibit No. 21.—List of shareholders present or represented by proxy at annual general meetings of Quebec Bridge Co.

Exhibit No. 22.—Memo. showing attendance of directors appointed by the government at Board meetings of Quebec Bridge and Railway Co., from date of appointment, January, 1904.

The following paper was filed and marked as

Exhibit No. 23.—Statement showing amounts voted by shareholders to directors and the manner in which these grants were dealt with by the directors themselves.

Mr. Monk being detained in the House, the committee rose to meet again at 3 o'clock p.m.

Three o'clock, p.m.

Committee resumed, with all the members thereof present.

Three volumes of original papers giving report and evidence submitted by the Commissioners of Inquiry into the Quebec Bridge collapse, laid on the table of the committee by an official of the Railways and Canals Department (Mr. G. A. Bell), on 2nd instant, were marked as Exhibits Nos. 24a, 24b, and 24c, respectively.

Also, a roll of plans relating to these original papers, produced before the committee by Mr. Bell, was marked as Exhibit No. 24d.

Mr. G. A. Bell, assistant accountant of Railways and Canals Department, was called, sworn, and examined by Mr. Monk and others.

During his examination, the following papers were filed and marked as

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Exhibit No. 25.—Cancelled cheque of M. P. Davis in favour of Quebec Bridge Company, dated January 27, 1904, on Bank of Montreal, for \$119,900.

Exhibit No. 26.—Cheque of M. P. Davis in favour of Quebec Bridge Company, dated February 21, 1907, on Bank of Montreal, for \$94,900, paid into bank same date.

Exhibit No. 27.—Statement showing details of first payment of \$898,264.73 from bond account (Quebec Bridge and Railway Co.)

Witness identified Exhibit No. 23 as having been prepared by himself.

Mr. Paquet, treasurer of Quebec Bridge and Railway Company, filed the following paper, which was marked as

Exhibit No. 28.—List of first shareholders of Quebec Bridge Company and amount of their shares, &c.

The following papers were filed and marked as

Exhibit No. 29.—Recapitulation of engineer's progress estimate of work done by the Phoenix Bridge Company (Mr. Bell's statement B.)

Exhibit No. 30.—Contract dated June 19, 1900, between Quebec Bridge Company and M. P. Davis for substructure of bridge.

Exhibit No. 31.—Release Quebec Bridge and Railway Company and others to Thos. McDougall.

Exhibit No. 32.—Contract dated July 27, 1903, between M. P. Davis and the Quebec Bridge and Railway Company for construction of railway, &c.

Mr. Barthe recalled to identify Exhibits Nos. 21 and 22 as having been prepared by himself.

Resolved, that the examination of Messrs. Ross (Finance Department), and Barthe be proceeded with, at the next sitting of the committee.

Committee then adjourned until to-morrow at 3 o'clock, p.m.

Attest,

N. ROBIDOUX,

Clerk of Committee.

COMMITTEE ROOM,

THURSDAY, June 11, 1908.

Committee met at 3 o'clock p.m.

Present—Mr. Maclean (Lunenburg), in the chair; and all the other members of the committee.

Messrs. Ross (Finance Dept.), Bell (Railways and Canals Dept.), Barthe and Paquet were in attendance. Also, Mr. S. N. Parent, president of the Quebec Bridge and Railway Co., who had likewise attended the previous sittings of the committee.

A mortgage trust deed, dated Feb. 1, 1904, between the Quebec Bridge and Railway Co. and the Royal Trust Co. and the Dominion Government, was filed and marked as Exhibit No. 33.

Mr. Ross, Asst. Deputy Minister of Finance, read a memo. showing balance of indebtedness due Bank of Montreal by Quebec Bridge Co., which was marked as Exhibit No. 34.

A further list of first shareholders of the Quebec Bridge and Railway Co. was filed and marked as Exhibit No. 28a.

APPENDIX No. 6

The following documents were filed and marked as—

Exhibit No. 35.—Agreement between the Government of the Province of Quebec and the Quebec Bridge Co., dated Nov. 27, 1900.

Exhibit No. 36.—Agreement between the City of Quebec and the Quebec Bridge Co., dated Sept. 22, 1900.

Exhibit No. 37.—Letter (in French) dated February 12, 1902, from L. A. Tascher-eau to Mr. Barthe, secretary of Quebec Bridge Co., *re* remunerations to directors of said company.

Exhibit No. 38.—Letter (in French) dated Nov. 26, 1903, from same to same *re* grant of \$5,000 to directors.

Exhibit No. 39.—Account of Gormully & Orde, of Ottawa, against the Quebec Bridge & Railway Co., for legal services.

Exhibit No. 40.—Subsidy agreement between the Dominion Government and the Quebec Bridge Co., dated Nov. 12, 1900.

Mr. Bell re-called and further examined by the Chairman and others.

Witness retired.

Mr. Ross, in answer to a question, stated that the records of the Finance Department's connection with the Quebec Bridge & Railway Co. were contained in the bound books, A, B, and C, forming part of Sessional Papers No. 154a before the committee—These three bound books were then marked as

Exhibit No. 41.—Copy of files *re* Quebec Bridge & Railway Co., from Sept. 13, 1900, to May 25, 1904, (Letter A).

Exhibit No. 42.—Do, do, from July 14, 1904, to July 11, 1907 (Letter B).

Exhibit No. 43.—Do, do, from Sept. 12, 1904, to Feb. 11, 1908 (Letter C).

Mr. Barthe recalled and further examined by the chairman and others.

Witness retired.

Mr. J. H. Paquet, treasurer of the Quebec Bridge & Railway Co., was called and discharged from further attendance. Witness submitted a list of shareholders of the old company who remained with the new company when Mr. Parent was made a director and president of the re-organized Bridge Co. Said list being marked as Exhibit No. 44.

Mr. Talbot moved, that the chairman be instructed to move in the House to-morrow that the report of the Royal Commission on the Quebec Bridge inquiry, together with the evidence (Sessional Papers No. 154), be referred to this committee.

Which was agreed to on division.

Resolved, that the following directors of the Quebec Bridge & Railway Co., viz.: Messrs. Sharpley, Price, Lemoine, &c., be requested to attend the next meeting of the committee.

Committee then adjourned to the call of the chair.

Attest,

N. ROBIDOUX,

Clerk of Committee.

7-8 EDWARD VII., A. 1908

HOUSE OF COMMONS,

THURSDAY, June 18, 1908.

Committee met at 11 o'clock a.m.

Present—All the members of the committee, with Mr. Maclean (Lunenburg) in the chair.

Mr. Bell, assistant accountant of Railways and Canals Department, was in attendance. Also, Hon. S. N. Parent, president of the Quebec Bridge and Railway Company, and the following directors of said company, viz.: Hon. J. Sharples, and Messrs. H. M. Price, G. LeMoine and P. B. Dumoulin, all of Quebec.

Mr. H. M. Price was called, sworn and examined by Mr. Galliher and others; and cross-examined by Mr. Barker and others.

Witness retired.

Mr. G. LeMoine, called and sworn.

It being one o'clock p.m., committee took recess.

Four o'clock p.m.

Committee resumed.

Mr. Price was given leave to explain a certain part of his evidence given this morning.

Mr. LeMoine recalled and examined by Mr. Galliher, and cross-examined by Mr. Monk and others.

Witness retired.

Mr. Thos. McDougall, general manager of the Quebec Bank, Quebec, called, sworn and examined by Mr. Galliher and others.

Witness retired.

Mr. J. G. Scott, general manager of the Quebec and Lake St. John Railway Co., Quebec, called, sworn and examined by Mr. Galliher and others; and cross-examined by Mr. Monk.

Witness retired.

Hon. J. Sharples, president Union Bank, Quebec, called, sworn and examined by Mr. Galliher and others; and cross-examined by Mr. Monk and others.

Witness retired.

Mr. P. B. Dumoulin, manager Molsons Bank, Quebec, called, sworn and examined by Mr. Galliher, and cross-examined by Mr. Monk.

Witness retired.

Resolved, that the examination of Hon. S. N. Parent, president of the Quebec Bridge and Railway Company, and of Mr. Henry Holgate, chairman of royal commission on the cause of the collapse of the Quebec bridge, be proceeded with at next meeting of the committee.

Committee then adjourned until Tuesday next at eleven o'clock a.m.

Attest,

N. ROBIDOUX,

Clerk of Committee.

APPENDIX No. 6

HOUSE OF COMMONS,
COMMITTEE ROOM No. 32,
TUESDAY, June 23, 1908.

Committee met at 11.30 o'clock a.m.

Present: Mr. Maclean (Lunenburg), in the chair; and Messrs. Chisholm (Antigonish), Galliher, Monk, and Walsh (Huntingdon).—5.

Hon. S. N. Parent, Mr. Bell (assistant accountant of Railways and Canals Department) and Mr. A. E. Hoare (chief engineer of Quebec Bridge Company) were in attendance. Also, Mr. Lorenzo Robitaille, M.P., by request of chairman.

Mr. Robitaille, M.P., was called and examined by Mr. Galliher.

Mr. Robitaille withdrew, to prepare a statement regarding the financial condition of Quebec Bridge Company, as understood by himself, and as represented in his speech in the House on April 26, 1907.

Hon. Mr. Parent, president of Quebec Bridge & Railway Company, called, sworn and examined by Mr. Monk. (His evidence being taken down in the French language by a stenographer sworn for the purpose.)

At one o'clock p.m., Committee took recess.

Three-thirty o'clock p.m.

Committee resumed.

Mr. Henry Holgate, C.E., Montreal, attended as requested.

Mr. Holgate was called, sworn and examined by Mr. Monk, and others, and cross-examined by the chairman and others.

Witness discharged.

Mr. Parent's examination was then resumed by Mr. Monk.

Witness retired.

The following paper was filed and marked as Exhibit No. 45—First annual report of the directors of Quebec Railway Bridge Company, dated June 4, 1889, and signed by J. B. Forsyth, president, and by L. F. Burroughs, secretary.

Mr. Robitaille, M.P., submitted his statement regarding the financial condition of Quebec Bridge Company, as understood by himself on April 26, 1907, and was further examined thereon.

Mr. Robitaille then withdrew.

Committee adjourned until Tuesday next, 30th instant.

Attest,

N. ROBIDOUX,
Clerk of Committee.

7-8 EDWARD VII., A. 1908

HOUSE OF COMMONS,

COMMITTEE ROOM No. 62,

TUESDAY, July 7, 1908.

Committee met at 11 o'clock, a.m.

Present—Mr. Maclean (Lunenburg), in the chair, and Messrs. Barker, Chisholm (Antigonish), Galliher, Monk and Walsh (Huntingdon)—6.

By request of the chairman, the following persons were in attendance, viz., Hon. Mr. Fielding, Minister of Finance; and Mr. Robert Douglas, C.E., of Railways and Canals Department. Hon. Mr. Parent and Mr. Henry T. Ross were also in attendance.

Hon. Mr. Fielding called, and examined by Mr. Monk and others.

Retired.

Mr. R. Douglas called, sworn and examined by Mr. Monk and others.

Witness discharged.

Mr. Henry T. Ross called, and examined by Mr. Monk and others.

Mr. Barker asked for the production of a complete statement of the accounts between the Phoenix Bridge Company and the Quebec Bridge Company from the beginning; also with regard to the substructure.

Committee then adjourned until to-morrow at 3 o'clock, p.m.

Attest,

N. ROBIDOUX,

Clerk of Committee.

HOUSE OF COMMONS,

COMMITTEE ROOM No. 62,

WEDNESDAY, July 8, 1908.

Committee met at 3 o'clock p.m.

Present: Mr. Maclean (Lunenburg), in the chair; and Messrs. Chisholm (Antigonish), Galliher, Monk and Talbot.—5.

Hon. Mr. Parent and Mr. G. A. Bell, assistant accountant of Railways and Canals Department, were in attendance.

Mr. Bell, recalled and examined by Mr. Monk respecting the complete statement asked for previously by Mr. Barker, of the accounts between the Phoenix Bridge Company, &c.

Witness discharged.

The following document was filed by Mr. Parent and marked as Exhibit No. 46:—Return to an order of the House dated June 18, 1891, for a copy of the report of C. Schreiber, Esq., upon a survey made by him of the River St. Lawrence immediately opposite and in the vicinity of the city of Quebec, for the purpose of determining whether it was possible to build a railway bridge there.

APPENDIX No. 6

On motion of Mr. Monk, it was

Ordered, that Mr. N. Béchard, accountant and auditor, Quebec be summoned by wire to appear before the committee to-morrow (Thursday).

Mr. Monk asked that Appendix No. 6 (Sessional Papers No. 7 for year 1896) of the Quebec Legislature, being a report of Mr. C. E. Gauvin 'respecting the proposed bridge over the St. Lawrence at Quebec,' be filed as an exhibit.

The chairman ruled the document as being irrelevant to this inquiry.

Committee then adjourned until to-morrow at 12 o'clock noon.

Attest,

N. ROBIDOUX,

Clerk of Committee.

HOUSE OF COMMONS,

COMMITTEE ROOM No. 32,

THURSDAY, July 9, 1908.

Committee met at 12 o'clock noon.

Present: Mr. Maclean (Lunenburg), in the chair; and Messrs. Barker, Chisholm (Antigonish), Galliher, Talbot, and Walsh (Huntingdon)—6.

Hon. Mr. Parent, and Mr. G. A. Bell of Railways and Canals, were in attendance.

The name of Mr. N. Béchard, a witness summoned to appear before the Committee this day, being formally called by the clerk, and there being no response thereto, it was

Resolved, that the books, &c., produced by the Quebec Bridge Company be returned to Hon. Mr. Parent, subject to all or any of them remaining at the disposal of the Committee for the purpose of the inquiry.

The Committee then adjourned to the call of the chair.

COMMITTEE ROOM,

WEDNESDAY, July 15, 1908.

Committee met at 8.30 o'clock p.m.

Present: Mr. Maclean (Lunenburg) in the chair; and Messrs. Barker, Chisholm (Antigonish), Galliher, Monk, and Walsh (Huntingdon)—6.

The Committee proceeded to the consideration of their report.

Mr. Galliher moved that the following Draft Report, marked 'A,' be adopted as the report of the committee.

(For this Draft Report see Report of the Committee, page vii).

Mr. Monk moved in amendment, that the following Draft Report, marked 'B,' be adopted as the report of the Committee in lieu of the foregoing:—

'B'

V.—FINANCIAL RESPONSIBILITY OF THE QUEBEC BRIDGE COMPANY.

1. The Quebec Bridge Company was incorporated in 1887, and, having regard to its undertaking to construct a bridge across the St. Lawrence at or near the City of Quebec, the cost of which would be at least \$6,000,000 the Company was from its inception deplorably weak financially.

2. Of its modest nominal stock capital of \$1,000,000, never, until the arrangements of 1903 to be presently referred to, did the money paid in by its shareholders exceed \$65,000, and even of that amount, so petty for such a vast undertaking, some \$20,000 consisted, not of cash found by the promoters, but of the proceeds of fees voted by them to the directors and paid by the country itself for their services in that capacity.

3. In 1890, the Province of Quebec voted to the enterprise a subsidy or aid of \$250,000, and further aid of \$300,000, was granted in the following year by the City of Quebec.

4. The Parliament of Canada also voted \$1,000,000 in aid of the undertaking payable as construction progressed.

5. The site being chosen, the substructure of the bridge progressed; but, in 1903, the Company had more than exhausted all its resources, its subsidies as well as its small paid-up stock capital were expended, and it had a floating debt of \$779,550. It was then without money or means to further prosecute its enterprise.

6. At this time, the Dominion had undertaken the construction of the National Transcontinental Railway whereof the Quebec Bridge was recognized as an essential and most important portion. The early completion of the bridge therefore was not only of national concern as a matter of trade and commerce, but any delay or misadventure would be fraught with most serious responsibility to the lessees of the eastern section of the great railway of which that bridge must necessarily be a part.

7. In the condition of the Bridge Company, it was not possible to prosecute its undertaking without the aid of the Dominion, and refusal of such aid would have ensued a forfeiture and abandonment of the venture. The obvious duty of the Government therefore was to refuse aid, to deal liberally with the promoters, and to take over the property and hold the bridge as a public work.

8. The president and directors of the Bridge Company, hopeless though their case appeared to be, succeeded in inducing the Government to agree to guarantee the Company's bonds up to \$6,688,200, the amount required to meet its liabilities and finish the bridge.

9. An Order in Council was thereupon passed on the advice of Ministers setting forth the terms and conditions of the proposed guarantee and an Act of Parliament was passed to confirm the same. The Act referred to (3 Edward VII., Chapter 54) was passed in the last hours of a long session, and in the course of a few days was rushed through the Senate and House of Commons with undue haste and without opportunity for deliberation and proper consideration.

10. One of the conditions enacted was that before the guarantee should be given, the Company would procure the subscription and full payment in cash of \$200,000 of additional stock, and apply the said money to a specific object, the restoration of \$188,000 discount which had previously been allowed on an issue of the company's bonds.

11. That condition was only in part fulfilled, though the Government, having accepted the written certificate of the Company's officers that it had been fully carried out, guaranteed the new issue of bonds. Attention is called to the admission of the Honourable the Finance Minister in his evidence, that had this deception been known to him, he would not have authorized the execution of the guarantee.

APPENDIX No. 6

12. The Government's present liability or outlay on bonds, subsidy and special guarantee to the Bank of Montreal is \$6,322,008.13, represented as follows:—

Subsidy.. . . .	\$ 374,353 00
Special indebtedness to Bank of Montreal.. . . .	174,431 36
Liability on bonds with interest to 30th April, 1908..	5,773,223 77
	<hr/>
	\$6,322,008 13

The Bridge Company's assets consist only of some stone piers and abutments, some iron material, and some land as approaches; but the above materials are only available to persons who may undertake to use them, if suitable, in constructing a new bridge, under a new plan, upon the same site.

The Bridge Company has practically no assets to satisfy its liability to the Government.

II.—PLANS.

13. Neither at the time when the subsidy of \$1,000,000 was granted to the Bridge Company, nor later when the Government advised the larger liability of guaranteeing \$6,678,200 of bonds, nor at any time, was there reasonable precaution taken by the Government to ensure the sufficiency of the plans and specifications, and their due observance in the progress of the work.

14. Parliament, in effect, imposed upon Government the duty to approve the plans and specifications, and the consequent duty to provide themselves with independent expert engineering advisers competent to pass upon the sufficiency thereof and to prevent any unauthorized departure therefrom. But those duties were so neglected and ignored that the Government has been throughout without expert professional advisers, responsible only to them, in so vast an undertaking involving millions of public money, and as unhappily it has proved, also involving many lives.

15. The Quebec Bridge Company's engineer, Mr. Hoare, for the purposes of the \$1,000,000 subsidy, had prepared specifications which were merely the general bridge specifications of the Government in ordinary use in cases of subsidies. These came before the Department of Railways and Canals and Mr. Douglass, the bridge engineer therein, found fault with and reported against the unit stresses. Unfortunately, his report received insufficient attention, probably because of the greater authority attached to Mr. Cooper, of New York, the consulting engineer of the Quebec Bridge Company.

16. But when, for the purposes of the guarantee of \$6,678,200, the Deputy Minister of Railways found himself called upon to examine for approval the plans and specifications of the bridge, he formally applied for authority to employ a specially qualified bridge engineer. Such authority was granted by Order in Council of 21st July, 1903.

17. The Quebec Bridge Company's consulting engineer, and the Bridge Company, objected to such a course; and thereupon, for some incomprehensible reason, the employment of an expert bridge engineer to act independently was at once abandoned by the Government itself.

18. It is also incomprehensible how it came to pass that, as the Government so early as July, 1903, were acting upon their determination to guarantee the \$6,678,200 and had then procured His Excellency's assent to an Order in Council for the employment of an expert consulting engineer to advise upon the plans and specifications, and as Parliament was in session, how came it, we repeat, that for three months thereafter the Government withheld the matter from the knowledge and consideration of Parliament, and only introduced a Bill upon the subject in the last hours of a session of nearly eight months duration.

19. The Government having, as already stated, voluntarily abandoned its intention to provide itself with competent and independent professional advice, continued

to the end to leave the work wholly in the control of the Quebec Bridge Company, while every dollar of the expenditure, even the salaries of the Company's officials and experts, were provided by the guarantee of the Dominion.

20. The famous structure was in immediate charge and control, upon behalf of the Quebec Bridge Company, of that Company's own engineer, a gentleman who, in the opinion of Your Committee, had not that experience and professional skill absolutely essential to the safety and success of so vast and so exceptional an undertaking. That engineer was obliged to rely upon the advice and assistance of a consulting engineer, who, though of high reputation, is advanced in years, and had to be consulted in New York, where he lives. When the catastrophe was imminent, one of the staff was obliged to visit New York to obtain the consulting engineer's advice as to what action should be taken.

21. The Government, wholly unrepresented upon the work, left the public interests absolutely in the hands of the Quebec Bridge Company, which Company, in the opinion of Your Committee, was incompetent, and, having regard to the relations between it and the Government, utterly unfitted for that position.

22. Your Committee are of opinion that the Government stand without much, if any, useful recourse against the Quebec Bridge Company for the sums disbursed or for which the Government has rendered itself liable:—

Subsidy.	\$ 374,353 00
Liability on bonds with interest to 30th April, 1908	5,773,223 77
Extra amount claimed by Bank of Montreal.	174,431 36
	<hr/>
	\$6,322,008 13

23. It does not appear that proper, or any enquiry was at any time made on behalf of the Government with regard to the ability of the Phoenix Bridge Company to perform its contract, or to make good any failure or default therein, nor as to its ability to make compensation where such may be due.

24. The evidence before Your Committee established that in any future construction of this magnitude it will be advisable that plans and specifications be passed upon by a board of at least three competent engineers.

25. Your Committee desire to express their opinion that the submission to Parliament in the last few hours of a session of matters of such moment and complexity as were involved in the said Act of 1903, is fraught with danger to public interest, and, in their opinion, the instance herein alluded to was, under the circumstances, inexcusable.

And the question being put on the amendment, it was negatived on division.

And the question being put on the main motion, it was carried on division.

Ordered, that the Draft Report marked 'A' be presented to the House as the report of the committee.

The committee then adjourned *sine die*.

Attest,

N. ROBIDOUX,

Clerk of Committee.

LIST OF WITNESSES

	PAGE.
Barthe, Ulric.....	4, 11, 68, 72
Bell, G. A.	10, 32, 36, 46, 70, 199
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LIST OF EXHIBITS

- No. 1.—Printed copy of the report of the Royal Commission on the cause of the collapse of the Quebec Bridge, published in the *Engineering Record*. (*Not printed*).
- Nos. 2, 3, 4, 5 and 6.—Bank books of the Quebec Bridge Company. (*Not printed*).
- Nos. 7 to 16, inclusive.—Ten cheques aggregating the sum of \$5,000 deposited to the credit of the Quebec Bridge Company by the directors thereof. (See pages 12, &c., of evidence.)
- No. 17.—Copy of the resolutions of shareholders and minutes of directors' meetings referring to same, in connection with annual grant of \$5,000 to the directors of the Quebec Bridge Company for attendance, &c. (See pages 18 &c., of evidence.)
- No. 18.—By-laws of the Quebec Bridge Company. (*Not printed*).
- No. 19.—Agreement for advances dated February 23, 1904, between the Quebec Bridge Company, the Dominion Government, and the Bank of Montreal. (See pages 33, &c., of evidence.)
- No. 20.—Copy of contract for superstructure between the Quebec Bridge Company and the Phoenix Bridge Co. (*Not printed*).
- No. 21.—List of shareholders present or represented by proxy at annual general meetings of Quebec Bridge Company. (*Not printed*).
- No. 22.—Memo. showing attendance of directors appointed by the government at board meetings of Quebec Bridge and Railway Company from date of appointment, January, 1904. (*Not printed*).
- No. 23.—Statement showing amounts voted by shareholders to directors and the manner in which these grants were dealt with by the directors themselves. (*Not printed*).
- Nos. 24a, 24b, 24c, 24d.—Original papers giving report and evidence submitted by the Commissioners of Inquiry into the Quebec Bridge collapse; and roll of plans. (*Not printed*).
- No. 25.—Cancelled cheque of M. P. Davis in favour of Quebec Bridge Company dated January 27, 1904, on Bank of Montreal for \$119,900. (See page 47 of evidence.)
- No. 26.—Cheque of M. P. Davis in favour of Quebec Bridge Company dated February 21, 1907, on Bank of Montreal, for \$94,900 paid into bank same date. (See page 47 of evidence.)
- No. 27.—Statement showing details of first payment of \$898,264.73 from Bond Account. (See page 53, &c., of evidence.)
- No. 28.—List of first shareholders of Quebec Bridge Company and amount of their shares, &c. (See page 66 of evidence.)

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- No. 28a.—Further list of first shareholders of the Quebec Bridge and Railway Co. (*Not printed*).
- No. 29.—Recapitulation of Engineer's progress estimate of work done by the Phoenix Bridge Co., *Mr. Bell's statement*, (p. 577 in *Sessional Paper No. 154a.*)
- No. 30.—Contract dated June 19, 1900, between the Quebec Bridge Co. and M. P. Davis for substructure of bridge. (*Not printed*).
- No. 31.—Release Quebec Bridge and Railway Co. and others, to Thos. McDougall. (*Not printed*).
- No. 32.—Contract dated July 27, 1903, between M. P. Davis and the Quebec Railway and Bridge Co., for construction of railway, &c. (*Not printed*).
- No. 33.—A mortgage trust deed, dated February 1, 1904, between the Quebec Bridge and Railway Company, and the Royal Trust Company, and the Dominion Government. (*Not printed*).
- No. 34.—Memo. showing balance of indebtedness due Bank of Montreal by the Quebec Bridge Company. (See page 70 of evidence.)
- No. 35.—Agreement between the Government of Province of Quebec, and the Quebec Bridge Company, dated November 27, 1900. (*Not printed*).
- No. 36.—Agreement between the city of Quebec, and the Quebec Bridge Company, dated September 22, 1900. (*Not printed*):
- No. 37.—Letter dated February 12, 1902, from L. A. Taschereau to Mr. Barthe, Secretary of Quebec Bridge Company, *re* remunerations to directors of said company. (*Not printed*).
- No. 38.—Letter dated November 26, 1903, from same to same, *re* grant of \$5,000 to directors. (*Not printed*).
- No. 39.—Account of Gormully & Orde against the Quebec Bridge and Railway Co., for legal services. (*Not printed*).
- No. 40.—Subsidy agreement between the Dominion Government, and the Quebec Bridge Company, dated November 12, 1900.
- No. 41.—Copy of files of Finance Department *re* Quebec Bridge and Railway Company, from September 13, 1900, to May 25, 1904. (Letter A.) (*Not printed*).
- No. 42.—Do, do, from July 14, 1904, to July 11, 1907. (Letter B.) (*Not printed*).
- No. 43.—Do, do, from September 12, 1904, to February 11, 1908. (Letter C.) (*Not printed*).
- No. 44.—List of Shareholders of the old company, who remained with the new company when Mr. Parent was made a director, and president of the re-organized Bridge Co. (*Not printed*).
- No. 45.—First annual report of the directors of the Quebec Railway Bridge Company, dated June 4, 1889, and signed by the president and secretary thereof. (*Not printed*).
- No. 46.—Return to an Order of the House dated June 18, 1891, for a copy of the report of C. Schreiber, Esq., upon survey made by him of the River St. Lawrence immediately opposite and in the vicinity of the city of Quebec for the purpose of determining whether it was possible to build a railway bridge there. (*Not printed*).

MINUTES OF EVIDENCE

TAKEN BEFORE

SELECT COMMITTEE ON QUEBEC BRIDGE

1908

MINUTES OF EVIDENCE

HOUSE OF COMMONS,
COMMITTEE ROOM No. 30,
OTTAWA, FRIDAY, May 22, 1908.

The Select Committee appointed 'for the purpose of investigating the conditions and guarantees under which the government paid moneys to the Quebec Bridge Company, and endorsed or guaranteed the bonds of the said company, and what measures were adopted by the government to ensure the preparation of suitable plans of construction and the proper execution of the same, and what security the government at present possesses for the sums already received by and guarantees given to the company,' met at 10.30 a.m.

On motion of Mr. Galliher, Mr. A. K. Maclean (Lunenburg) was elected chairman.

The chairman read the order of reference.

Mr. MONK.—I suppose, Mr. Chairman, that the resolution which you have just read provides the committee with all the necessary machinery and powers to enable it to conduct the investigation with which it has been entrusted by the House?

The CHAIRMAN.—Yes, I do not see that anything further is necessary.

Mr. BARKER.—It is very comprehensive in its terms.

Mr. MONK.—I presume that this meeting is merely for the purpose of organization. When next the committee meets it is desirable that it should be able to proceed with some work, and with that object in view I move that Mr. Ulric Barthe, the secretary of the Quebec Bridge Company, be summoned to appear before this committee at its next meeting and to produce before the committee the said company's book of minutes of its meetings, its books of accounts, its contracts with regard to the works of construction of the said Quebec bridge, and contracts, and agreements for loans and advances, its stock register and books connected therewith; the said company's correspondence with the Dominion government and members thereof, in reference to all matters and things connected with the said Quebec bridge, and all papers and documents generally having reference to the construction and completion and the providing of the necessary funds for defraying the cost of the aforesaid bridge.

Mr. GALLIHER.—That is a pretty comprehensive motion; do I understand that actually has reference to such parts of their books and papers as refer to any dealings between the company and the government?

Mr. MONK.—That also occurred to me, Mr. Galliher, and I made it, as you see, somewhat comprehensive, because if there are parts of those books or papers that have no reference to this inquiry we can eliminate them at once from consideration.

The CHAIRMAN.—With reference to their stock book, would the production of that be necessary, or is it fair to ask them to produce it.

Mr. BARKER.—Supposing they had a very large stock subscription, with a liability of 90 per cent still remaining unpaid, that is an asset, and part of the conditions of their guarantee was that there should be a certain amount subscribed.

Mr. MONK.—It is a provision of our guarantee that there are to be \$250,000 stock subscribed.

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Mr. GALLIHER.—I take it that we can decide that point when the time comes. So far as I am concerned I haven't a copy before me of the order of reference, so that I do not know exactly what the powers of the committee are, but we can settle that question afterwards.

The CHAIRMAN.—The production of the stock book of a company is something I never like to ask for myself, but in this case I suppose there are circumstances which may render it necessary to call for the production of the company's stock book.

Mr. BARKER.—We cannot by any resolution which we may pass enlarge our powers, which are limited by the order of reference.

The committee adjourned until Tuesday, June 2, at 10.30 a.m.

TUESDAY, June 2, 1908.

The committee met at 11 o'clock, a.m., the chairman, Mr. A. K. Maclean, presiding.

The CHAIRMAN.—This committee, Mr. Monk, was organized at your suggestion. If you could give us, just in a few words, what will be the scope of the examination, I would like it myself. I don't know whether the other members would or not. As far as I am concerned I do not know anything about this matter.

Mr. MONK.—I am ready, Mr. Chairman, to proceed with the examination of Mr. Barthe, who is here to-day. It would be difficult for me to define exactly what the scope of the examination will be, but we will endeavour to keep it, of course, within the instructions given to us by the House and cover the ground indicated in the resolution.

The CHAIRMAN.—We cannot go beyond that, that is true. I thought perhaps it would be less than that.

Mr. MONK.—No. I think we will go over the ground indicated in the resolution. We have nothing to do with the technical part of the Quebec bridge, just the business end which concerns the Dominion government, the financial responsibility, and what precautions were taken by the government before it advanced the money or passed the bonds which are mentioned in the legislation concerning the bridge.

Mr. ULRIC BARTHE, Quebec, called and sworn and examined.

Mr. MONK.—I suggested to Mr. Barthe that on account of the composition of the committee it would facilitate matters if he would undergo his examination in English. Nevertheless, Mr. Barthe, as I understand, prefers being examined in French. I understand that the documents which Mr. Barthe has brought up here are not now in his possession; they are in trunks which will arrive to-day by the noon train. I think, perhaps, Mr. Barthe, we might open your examination in English and if you find it inconvenient, when we resume, the committee can provide a French stenographer for you. Would that suit you?

The WITNESS.—I would prefer very much that my examination be altogether in French, of course.

Mr. MONK.—But we might open your examination in English.

The CHAIRMAN.—I fear that if Mr. Barthe's examination takes place in French, owing to the composition of the committee, you, Mr. Monk, will be about the only person able to follow it. We would have to make some provision for that. I think perhaps the witness can get along in English.

APPENDIX No. 6

Mr. MONK.—If the examination takes place in French we shall need an interpreter.

The CHAIRMAN.—Which will be very awkward.

Mr. MONK.—I think, Mr. Barthe, you are about as familiar with the English language as with the French, are you not?

The WITNESS.—I could not say. I am for ordinary business affairs, but it is different being here as a witness.

The CHAIRMAN.—This is a matter of ordinary business. I think you can get along all right in English.

Mr. BARKER.—We will be able to understand his English.

Mr. CHISHOLM.—If the witness feels any diffidence about giving his evidence in English it would be unfair to ask him to do so.

The CHAIRMAN.—I think we can try him any way. I wish to say that I have received from the Clerk of Public Records a number of documents which were reported to the House. They were moved for, I think, by Mr. Borden, leader of the opposition, in connection with this matter. I have not looked at them myself.

Mr. MONK.—I think we may state to the witness that the committee will endeavour to meet his desire in respect to the examination. We may, perhaps, just open the examination of Mr. Barthe in order to see what course we are going to follow. You have no objection to that?

The WITNESS.—You will have to pardon my English if I do not answer correctly.

By Mr. Monk:

Q. You are secretary of the Quebec Bridge Company?—A. Yes. Now the Quebec Bridge and Railway Company.

Q. And you have come here in answer to the summons that was sent you by the secretary of the committee, have you not?—A. Yes, sir.

Q. When were you appointed secretary of the company?—A. In March, 1897.

Q. Had the company been in existence then for some time?—A. It was then reorganized.

Q. In 1897?—A. Yes, sir.

Q. At what salary were you appointed, Mr. Barthe?—A. It was a nominal salary because it was largely a work of devotion at the time.

Q. And what is your salary now?—A. It is now \$2,400 per annum. It was then \$50 a month.

Q. Have you a pamphlet, Mr. Barthe, in which all the legislation concerning the company is contained?—A. Yes, but I have not got it here. I did not bring it with me. That information is to be found in the Statutes, of course.

Q. Have you not got the legislation collectively in one pamphlet?—A. Yes, I have collected most of it, but it is at the office.

Q. Could you produce that pamphlet before the committee?—A. Well, I would have to write for it.

By the Chairman:

Q. Is it printed?—A. Yes, these are only printed copies of the different Statutes.

Q. Have you got many of them?—A. I have got only one for my own use.

By Mr. Monk:

Q. Are there not some copies of that pamphlet in the company's office?—A. I have got only one bound for my own use.

Q. Will you send for it and produce it before the committee?—A. Certainly.

Q. Have you brought with you, Mr. Barthe, the different documents mentioned in the resolution of the committee which was communicated to you and which you were to produce? Have you those documents now in your possession?—A. No, not now. Well, they are on the way to Ottawa.

Q. They are actually on the way up?—A. Yes.

Q. From Quebec?—A. From Quebec.

Q. When do you expect them to arrive?—A. They told me at the railway office this morning that they should be here by the noon train. I have got the two checks for the two trunks billed to Ottawa yesterday in Quebec. I expected that they would follow me.

Q. They contain all the documents which were indicated in the copy of the resolution that was sent to you, I suppose?—A. They contain what I thought answered the summons.

Mr. MONK.—It is somewhat difficult, Mr. Chairman, to proceed usefully in the absence of these documents. On the other hand, if Mr. Barthe expects their arrival at noon, he might bring them up and deposit them in the hands of the secretary of the committee and the members of the committee might have access to them, which would probably shorten the examination of this witness very considerably.

Mr. GALLIHER.—There is only one thing about that, Mr. Chairman: In the production generally of books and documents there may be contained in them certain things that are not at all within the purview of this committee. It has struck me since reading over the minutes of the last meeting that probably the better way to get at what is desired would be if we had an idea of what questions we want to ask the witness to meet this case. Then the books and documents having reference to them could be produced. What I desire is to preserve absolute secrecy so far as regards anything not in any way connected with this investigation. For instance, a merchant, we will say, sues a man on an account. Well, I have seen leaves in his account-books fastened together, excepting those having reference to the particular matter. The idea was that no one would probe into matters outside of that being tried.

Mr. BARKER.—No one has objected to producing any papers.

Mr. MONK.—That is what I was going to say. I understand the objection of Mr. Galliher, and certainly it is one which is often pointed out in courts of law, but I gather from the witness, and from the company itself, that there is no objection to placing these documents generally before the committee.

The CHAIRMAN.—I think the witness ought to be here in charge of these papers. It is not fair to ask this corporation to come here and throw two trunks of papers on the table and leave them here.

Mr. BARKER.—If they have no objection why should we raise any.

The CHAIRMAN.—The members of a parliamentary committee must protect witnesses.

Mr. BARKER.—We must investigate.

The CHAIRMAN.—Certainly. That is right. We must investigate.

Mr. PARENT.—On behalf of the Quebec Bridge Company let me say that we have no objection at all to producing the documents. They will be here, but they must be brought away by the secretary after the meeting is over. They are private documents belonging to the company and we cannot allow them to remain here in the building.

The CHAIRMAN.—You mean after the committee is over?

Mr. PARENT.—After the committee is over.

The CHAIRMAN.—Certainly. I think too that while these documents are here being examined the secretary ought to be here also so as to safeguard them in every way.

Mr. BARKER.—Certainly, provide every safeguard.

Mr. PARENT.—We have already had some documents before the Royal Commission on the Quebec bridge that were not sent back to us. They were originals and we don't want that to be repeated. That is why I say that although every document required will be put before the committee they must be brought back when the committee is over.

Mr. MONK.—There will be no difficulty whatever about that, Mr. Parent. We will keep as few of the documents as we can and they will be under strict surveillance.

APPENDIX No. 6

The documents when they arrive can be placed under the care of the secretary of the committee and if necessary Mr. Barthe can be present when we examine them.

The WITNESS.—I will keep the key myself, because I am responsible to the company for their safe custody.

Mr. BARKER.—We had better understand where we are as a committee of this House. We had some years ago a stubborn and determined attempt on the part of a witness to refuse a committee full control over documents and books that he produced.

The CHAIRMAN.—I know, but Mr. Barker—

Mr. BARKER.—Allow me now, I am not going to occupy time unnecessarily. The result was that finally we had to bring the witness in question before the House and he was made to produce his books and documents under penalty, he was made to do it. The witness contended that he would not allow any person to see anything in his books except certain items that he said related to the matter in question. However, the House decided that he must produce the books and everything in connection with them; that the committee was entitled to them. I claim that it does not rest with the witness to say that he is going to keep these papers under lock and key, that he shall be the judge of what he is going to show or not going to show us.

The CHAIRMAN.—He does not say that, Mr. Barker.

Mr. BARKER.—I take exception to what he has said.

The WITNESS.—I want to explain the remark.

Mr. BARKER.—One moment. I think we had better understand where we are to begin with. I claim that we are here to investigate a certain matter and we have summoned a witness to produce books and papers. They ought to be here, but they are not for reasons that I do not think he is responsible for. However, those books and documents must be produced here and laid upon the table for the examination of every member of the committee.

The CHAIRMAN.—So far as productions of papers are concerned, there is no difference of opinion. The company have no objection to the production of those asked for, and all that the witness has said is that when they are not being used before the committee he wants to have them locked and in his possession. Now, that is the procedure in all courts. If any witness is subpoenaed to produce a document he produces it. Afterwards it is his right to have it so long as the court is not engaged with it.

Mr. MONK.—In our courts in the province of Quebec, it is not permissible for a witness to impose any conditions regarding the care of documents when he produces them before a tribunal. It is for the tribunal to take the necessary measures and when the proper time comes the witness will be reinstated in the possession of those documents.

The CHAIRMAN.—I do not think there is any need of our talking about that matter. There will be no difficulty.

Mr. BARKER.—There must be a great many books that Mr. Barthe will produce that a short inspection will enable us to take an extract from and let the books go altogether; we will facilitate that in every way. But we should not be told at the beginning what we cannot have. We will find that out as we go along.

The WITNESS.—That is not my meaning, I never meant that. I want to put everything before the committee, but the only thing is when they are not being used I want to keep the trunks locked.

Mr. MONK.—We will confine the key to Mr. Robidoux. He is secretary of the committee.

The WITNESS.—I am responsible.

Mr. BARKER.—So is parliament responsible.

Mr. PARENT.—We are prepared to furnish everything that is required by the committee, but when the meeting is over we want to get possession of these books or documents, whatever they are.

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The CHAIRMAN.—I do not think there will be any trouble about that. Can you proceed, Mr. Monk, to any extent with the examination of the witness this morning?

By Mr. Barker:

Q. What books or papers have you brought showing the financial standing of the company at the time moneys were advanced or paid by the government from the beginning?—A. As a matter of fact, I took all the books of account as requested by my summons. I did not make any distinction, I brought all the books of account.

Q. Everything?—A. All books and all minutes.

Q. Have you brought all books that will show to the committee the financial standing of the company at the various times when advances or payments were made by the government?—A. Everything should be in these books.

Q. You think they are?—A. I don't know myself, I am not the treasurer of the company.

Q. Who is the treasurer?—A. Mr. Paquet.

Q. You can obtain charge and control of everything for the committee?—A. Oh, yes.

Q. There is no trouble about that. For example, we may want to investigate the financial standing of the company at a particular stage or stages. Will the papers you are producing enable us to do that or are you leaving in Quebec any papers that will bear on that point?—A. I did not leave anything in Quebec.

Q. You have left nothing?—A. No.

Q. To be clear. Supposing that there had been a million dollars of stock subscribed—that is a mere supposition—and only 10 per cent of it paid, there would be 90 per cent of that million an asset of the company. Will the books you are producing disclose that sort of an asset of the company?—A. Assuming that, certainly.

Q. Whatever it may be, ninety thousand, or nine hundred thousand?—A. Yes.

Q. Whatever it may be will the books you are producing show that?—A. Certainly. The books show everything that was done.

Mr. BARKER.—Then we will probably have enough to go on with for some time. We do not want to lose a day, and if there is a little give and take on both sides, I am sure Mr. Monk and myself will be glad to hamper the company as little as possible. We can take these books and examine them, and as far as possible have extracts made of what we want and then allow the books to go, subject to the call of the committee. A great deal can be done to facilitate matters in that way. We don't want to trouble the company or any one else; but if we adjourn now and the books and documents are locked up until we meet again as a committee, we will have to spend a great deal of time in investigating them.

The CHAIRMAN.—Providing these books reach here at noon, do you wish to have them up this afternoon?

Mr. MONK.—Yes, Mr. Chairman; I was going to suggest that if the witness would bring up the books at 2 o'clock and place them in the hands of the secretary, Mr. Robidoux, I would be ready to proceed with Mr. Barthe's examination to-morrow. I understand he is going to remain over.

The CHAIRMAN (to the witness).—Then if you can get your trunks up to room 32 this afternoon.

Mr. CHISHOLM (Antigonish).—This examination should proceed in a regular way. No one who has asked for a committee of the House and summoned a witness to produce books, should have those books sent to a private room and examined there. This investigation is a public one. The Quebec Bridge Company are interested in the matter, too. They want to show that they have done their part in good faith.

The CHAIRMAN.—The idea is that this will expedite the inquiry. You may want to see the books, too.

Mr. CHISHOLM.—The proper way is to put the witness on the stand and ask him to produce the books.

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Mr. MONK.—We have done that.

Mr. CHISHOLM. This is going to prolong the inquiry indefinitely, I think. We ought to know what we are called upon to investigate. The witnesses should be called to the stand and asked to produce the things we want.

Mr. MONK.—I would like to know what my honourable friend means. Here is a witness who has been summoned to produce documents. He has not got them but nobody blames him for that. However, he has not got them. They are not in his possession. We are anxious to shorten his evidence. He expects the documents to arrive at noon. We are ready to look at those documents at 2 o'clock this afternoon and proceed with the examination afterwards. Does my honourable friend want us to adjourn and sit at 2 o'clock?

Mr. CHISHOLM.—The proposal will be to adjourn until such time as the witness can produce these books and documents and then proceed with the investigation.

The WITNESS.—I cannot promise that the books will be here.

Mr. GALLIHER.—That is really the proper course.

The WITNESS.—The railway people told me they expected the trunks would be here, but I cannot bind myself to have the books here if they have not arrived.

The CHAIRMAN.—There is no complaint whatever about that, Mr. Barthe.

Mr. MONK.—There is no complaint whatever about that. The complaint seems to be on the part of my honourable friend when we make a proposition to save time.

Mr. CHISHOLM.—No. What I wish is that the books should be placed in court, placed in the hands of the witness and the witness examined on them. This committee has no right to ask that the books be taken into the private room of some member of the committee and examined there. That is not a regular procedure. I do not say that there will be anything wrong in that, I have confidence that nothing improper or unfair would be done in connection with these books, but that is not the regular way to proceed. Moreover witnesses have a right to be protected as well as the curiosity of members to be satisfied within legitimate bounds. Witnesses have a right to be protected and when they come here they should feel that they are going to be treated in the same way as if they were in a court of law, that everything will be done above board and that their interest will not be prejudiced.

Mr. MONK.—I don't know what the custom is in Nova Scotia. In our province we proceed exactly in this way. We get a witness to bring his documents into court and they are deposited with the clerk of the court, and when the party is ready he proceeds with his examination. This is not a court. We hear too much of committees of this kind being courts of law. What we want is to shorten the examination of this witness and it seems to me that my honourable friend is wasting valuable time. Those documents unfortunately are not here at the present time. We asked that they be put—not in any private member's room, who said that?—but deposited with the clerk of this committee. If we are this afternoon afforded an opportunity of looking at the books, which we ought to have had this morning, then we will proceed with the examination of the witness.

The CHAIRMAN.—I agree with anything that will hasten the conclusion of this inquiry, because I am sure we all want to get through with it as quickly as we can. I think the suggestion made will help the matter. I am sure all the members of this committee want to see the books and papers and the secretary will be here to explain matters. I want to be present myself this afternoon.

Mr. BARKER.—I would like Mr. Barthe to be present.

The CHAIRMAN.—Oh, yes; I think he should be.

Mr. GALLIHER.—It is quite possible that committees of this kind do not proceed in the regular way that is followed in courts of law. I am absolutely certain that Mr. Chisholm is right in his statement as to the mode of procedure in a court of law. When the witness is brought to court he has his books beside him in the witness box and when a question is asked he is able to refer to them with respect to it. And the

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books are open to the man who is questioning him. But I think we are in rather a different position from a court of law, and since the company have stated they have no objection to producing everything to the committee, anything that will expedite this inquiry it seems to me we need not quarrel over.

Mr. MONK.—I would just like to say with reference to what Mr. Galliher has said, that if we are to be governed by the custom in a court of law, this matter having arisen in Quebec, we should be governed by the customs of the courts of law in the province of Quebec, although I deny absolutely that we are to be governed by any such custom. Now, any gentleman who has practised law in the province of Quebec knows that when a witness appears before the court and produces two or three trunks of documents, the examining lawyer is allowed to see as much of those documents as he wants. That is the custom of the tribunals in the province of Quebec.

Mr. BARKER.—And it is the same in Ontario.

Mr. MONK.—We are not going to be governed by the practice in the courts of law in Nova Scotia.

Mr. CHISHOLM.—Has not the counsel for the other side the right to be present when the documents are being examined?

Mr. MONK.—Of course, without any doubt.

Mr. CHISHOLM.—And is not the witness himself allowed to be present?

Mr. MONK.—We do not ask that these books and documents should be produced in the room of any honourable gentleman. That is not what has been asked for here.

Mr. CHISHOLM.—That is precisely my contention. This examination should be made in the presence of the members of the committee and the witness should also be present.

The CHAIRMAN.—The Railway Department has sent over papers containing the evidence taken before the Royal Commission on the Quebec Bridge, also a roll of plans. Are these any good?

Mr. MONK.—Yes, Mr. Chairman.

The CHAIRMAN.—I don't think this committee is asked to find out what was the cause of the collapse of the Quebec bridge.

Mr. BARKER.—The reference to us is broad enough for anything. We are to investigate the conditions under which payments were made and under which a guarantee was given. I don't know any broader language that could be used than that.

The committee adjourned until 2.30 o'clock.

HOUSE OF COMMONS,

Room No. 62,

TUESDAY, June 2, 1908.

The committee met at 2.30 o'clock, p.m., the chairman, Mr. A. K. Maclean, presiding.

Mr. Bell, of the Department of Railways and Canals, appeared and filed with the committee a number of documents.

The CHAIRMAN.—Would you mind explaining to the committee what the papers are?

Mr. BELL.—They are really papers of the Quebec Bridge Company that were taken by the Royal Commission and afterwards returned to our department. I do

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not know what the documents are. I also place on file a copy of the Report of the Royal Commission as printed in the Engineering Record.

Report marked Exhibit No. 1.

The CHAIRMAN.—Have your trunks arrived, Mr. Barthe?

The WITNESS.—Yes, they are in this room.

Mr. BARKER.—I would suggest now, Mr. Chairman, a course that I think is usually followed in cases of this kind. The object of the preliminary examination of books and papers is to shorten the inquiry and get rid immediately of as many of the books as possible. Now, the committee may be considered as sitting and any gentleman that wants to take part in the examination can do so. I do not think it is absolutely essential that every member of the committee remain all the time if he does not want to.

The CHAIRMAN.—Very well. We will consider this an informal meeting of the committee in order to facilitate the examination of the books. Mr. Barthe, of course, will help.

HOUSE OF COMMONS.

COMMITTEE ROOM 32,

Tuesday, June 9, 1908.

The committee met at 11.15 o'clock a.m., the chairman, Mr. A. K. Maclean, presiding.

The examination of Mr. Ulric Barthe resumed.

By Mr. Monk:

Q. It was understood, Mr. Barthe, when we adjourned the other day that you were to get some documents at Quebec and produce them before this committee. There were amongst others, the four bank books of the company and the subscription list for stock. Have you been able to procure those books?—A. I have got the bank books. By some misunderstanding the subscription books were left on the table at Quebec, but I have telephoned this morning for them and they will be here to-morrow morning.

Q. Would you produce the bank books referred to before the committee?—A.—Yes (producing books).

Exhibits No. 2, 3 4 and 5.

I might say that it is in the treasurer's department and the treasurer had to come here to proceed to the audit of the books for the month with Mr. Bell. He is here present and he may be more able than I am to explain the details about these books. However, I have produced them.

The CHAIRMAN.—Mr. Ross, Assistant Deputy Minister of Finance, is here attending the sittings of the committee on behalf of the Finance Department. I suppose there will be no objection to his asking the witness a question at any time?

Mr. BARKER.—There will be no objection, as far as I can see. It is very proper, I think.

The WITNESS.—There is another book, a duplicate of which will be here to-morrow. We had to have it prepared by the Banque Nationale at Quebec.

Mr. PARENT.—As to those books of the Quebec Bridge Company they are required for the company's business. I don't think we can leave them here.

Mr. MONK.—We will release them as soon as we have done with them and made any extracts that are necessary.

By Mr. Monk:

Q. Would you please indicate in the books just filed by you as Exhibits 2, 3, 4, 5 and 6, traces of the deposit of the \$200,000 of stock which was to be subscribed and paid in cash before the government granted a guarantee of the bonds issued by the company?—A. That is one of those questions upon which you will have better satisfaction from the treasurer.

The CHAIRMAN.—Perhaps Mr. Bell could aid Mr. Barthe in giving that information.

Mr. BELL.—Mr. Paquet could give that information in a minute.

The WITNESS.—I find there is another book which I now produce.

Book produced and marked Exhibit 6.

The WITNESS.—I find the following entries: On the 1st February, 1904, a deposit in Molsons Bank in account with Quebec Bridge Company, \$25,000. Hugh A. Allan's cheque. On the 10th February, 1904, \$50,000. Two cheques from Hon. John Sharples for \$25,000 each. On March 18th another deposit of \$25,000, G. T. R. (Grand Trunk Railway). On the 22nd February, 1907, deposited at the Bank of Montreal \$94,900, a cheque from M. P. Davis. On December 16th, 1903, deposited at the Molson's Bank, \$4,933.34. On January 2nd, 1904, also at the Molson's Bank, another deposit for \$66.66, making in all five thousand. On the 19th January, 1904, another deposit of \$100. It was for one shareholder, Mr. F. G. Fortier, a new shareholder.

By Mr. Barker:

Q. Is that the five thousand?—A. Outside of the five thousand.

By Mr. Monk:

Q. Will you now please state to the committee whence came that sum of \$4,900 deposited in the Molson's Bank to the credit of this \$200,000 issue?—A. That is represented by cheques handed in by the directors in payment of stock to the amount of \$5,000. I have got the cheques here; will I produce them?

Q. If you please?—A. I now produce these cheques.

EXHIBIT No. 7.

No. 126.

Quebec, P.Q., 23rd November, 1903.

TO THE MOLSONS BANK

Pay to Hon. S. N. Parent Or order
Two thousand five hundred $\frac{00}{100}$ Dollars

\$2,500.00

(Paid)

(The Molsons Bank

Quebec

Dec. 16, 1903

Accepted

Per.

Ledger Keeper)

Endorsed

S. N. PARENT,

(The Molsons Bank

Dec. 16, 1903.

Quebec

for deposit only to credit of

(The Quebec Bridge & Railway

Ulric Barthe,

Secy. and Treasr.

Company.

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EXHIBIT No. 8.

No. 125.

Quebec, P.Q., 23rd November, 1903.

To THE MOLSONS BANK

Pay to Mr. G. LeMoine Or order
 Three hundred $^{\circ}\frac{00}{100}$ Dollars

\$300.00

S. N. Parent,

Pres. Q. B. Co.

(The Molsons Bank

(The Quebec Bridge & Railway

Quebec

Ulric Barthe

Dec. 16, 1903

(Paid)

Secy.-Treasr.

Accepted

Company)

Per.

Ledger Keeper)

Endorsed

Gaspard LeMoine,

for deposit only to credit of

The Molsons Bank

(The Quebec Bridge & Railway

Dec. 16, 1903.

Ulric Barthe,

Quebec

Secy.-Treasr.

Company)

EXHIBIT No. 9.

No. 124.

Quebec, P.Q., 23rd November, 1903.

To THE MOLSONS BANK

Pay to H. J. Beemer, Esq. Or order
 Sixty-six $^{\circ}\frac{66}{100}$ Dollars

\$66.66

S. N. Parent,

Pres. Q. B. Co.

(Paid.)

(The Molsons Bank)

(The Quebec Bridge & Railway

Quebec

Ulric Barthe

Jan. 2, 1904

Secy.-Treasr.

Accepted

Company)

Per.

Ledger Keeper)

Endorsed

H. J. Beemer,

for deposit only to credit of

The Molsons Bank

(The Quebec Bridge & Railway

Jan. 2, 1904.

Ulric Barthe

Quebec

Treasurer

Company)

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EXHIBIT No. 10.

No. 123.

Quebec, P.Q., 23rd November, 1903.

To THE MOLSONS BANK

Pay to John Breakey, Esq. Or order
 One hundred and sixty-six $67\frac{1}{100}$ Dollars

\$166.67.

S. N. Parent,
 Pres. Q. B. C.
 (Paid)

(The Molsons Bank
 Quebec

Dec. 16, 1903

Accepted

Per.

Ledger Keeper)

Endorsed by

Pay Quebec Bridge Co.,

John Breakey.

For deposit only to credit of

(The Quebec Bridge and Railway

Dec.

16

1903

Quebec.

Ulric Barthe,

Secy.-Treasr.

Company)

EXHIBIT No. 11.

No. 122

QUEBEC, P.Q., 23rd November, 1903.

To THE MOLSONS BANK

Pay to Mr. R. Audette Or order
 Four hundred $00\frac{00}{100}$ Dollars

\$400.00

S. N. Parent,
 Pres. Q.B. Co.
 (Paid)

(The Molsons Bank
 Quebec

Dec. 16, 1903

Accepted

Per.

Ledger Keeper)

Endorsed,

R. Audette.

For deposit only to credit of

(The Quebec Bridge & Railway

Ulric Barthe

Secy.-Treasr.

Company.)

(The Quebec Bridge & Railway

Ulric Barthe

Secy.-Treasr.

Company)

(The Molsons Bank

Dec. 16, 1903

Quebec.)

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EXHIBIT No. 12.

No. 121

QUEBEC, P.Q., 23rd November, 1903.

To THE MOLSONS BANK

Pay to Hon. Nem. Garneau Or order
 Three Hundred and thirty-three $33\frac{3}{100}$ Dollars

\$333.33

(Paid)

S. N. Parent,
 Pres. Q. B. Co.

(The Molsons Bank
 Quebec

(The Quebec Bridge & Railway

Ulric Barthe

Dec. 16, 1903

Secy.-Treasr.

Accepted

Company)

Per

Ledger Keeper)

Endorsed,

N. Garneau.

For deposit only to credit of

(The Quebec Bridge & Railway

Ulric Barthe

Secy.-Treasr.

Company.)

(The Molsons Bank

Dec. 16, 1903

Quebec.)

EXHIBIT No. 13.

No. 120

QUEBEC, P.Q., 23rd November, 1903.

To THE MOLSONS BANK

Pay to Vesey Boswell, Esq. Or order
 Two hundred and sixty-six $67\frac{1}{100}$ Dollars

\$266.67

(Paid)

S. N. Parent,

(The Molsons Bank
 Quebec

(The Quebec Bridge & Railway

Ulric Barthe

Dec. 16, 1903

Secy.-Treasr.

Accepted

Company)

Per

Ledger Keeper)

Endorsed,

Vesey Boswell.

For deposit only to credit of

(The Quebec Bridge & Railway

Ulric Barthe

Secy.-Treasr.

Company.)

(The Molsons Bank

Dec. 16, 1903

Quebec.)

EXHIBIT No. 14.

No. 119 QUEBEC, P.Q., 23rd November, 1903.

To THE MOLSONS BANK

Pay to Mr. Narcisse Rioux Or order
. Three hundred and sixty-six ⁶⁷/₁₀₀ Dollars
\$366.67 (Paid) S. N. Parent,
Pres., Q. B. Co.
(The Molsons Bank (The Quebec Bridge & Railway
Quebec Ulric Barthe
Dec. 16, 1903 Sec.-Treasr.
Accepted Company)
Per.....
Ledger Keeper)
Endorsed,
N. Rioux.
For deposit only to credit of
(The Quebec Bridge & Railway (The Molsons Bank
Ulric Barthe Dec. 16, 1903
Secy.-Treasr. Quebec.)
Company.)

EXHIBIT No. 15.

No. 118 QUEBEC, P.Q., 23rd, November, 1903.

To THE MOLSONS BANK

Pay to Mr. J. B. Laliberte Or order
. Two hundred ⁰⁰/₁₀₀ Dollars
\$200.00. (Paid) S. N. Parent,
Pres. Q. B. Co.
(Paid)
(The Molsons Bank (The Quebec Bridge & Railway
Quebec Ulric Barthe
Dec. 16, 1903 Sec.-Treasr.
Accepted Company)
Per.....
Ledger Keeper)
Endorsed,
J. B. Laliberte.
For deposit only to credit of
(The Quebec Bridge & Railway (The Molsons Bank
Ulric Barthe Dec. 16, 1903
Secy.-Treasr. Quebec.)
Company.)

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EXHIBIT No. 16.

No. 117

QUEBEC, P.Q., 23rd November, 1903.

To THE MOLSONS BANK

Pay to H. M. Price, Esq. Or order	
. Four hundred 00/100 Dollars	
\$400.00.	(Paid) S. N. Parent,
	Pres. Q. B. Co.
(The Molsons Bank	(The Quebec Bridge & Railway
Quebec	Ulric Barthe
Dec. 16, 1903	Secy.-Treasr.
Accepted	Company)
Per.	
Ledger Keeper)	
Endorsed,	
H. M. Price.	
For deposit only to credit of	
(The Quebec Bridge & Railway	(The Molsons Bank
Ulric Barthe	Dec. 16, 1903
Secy.-Treasr.	Quebec.)
Company.)	

Q. I see, sir, that the ten cheques that you have produced purport to be the cheques of the Quebec Bridge Company, signed by you as secretary and by Mr. Parent as president?—A. Yes, sir.

Q. Would you tell the committee in whose name this \$4,900 of stock was taken?—A. It is not only \$4,900, but \$4,900 and \$66, making five thousand. These cheques had been issued in accordance with the resolution of the shareholders at their previous general meeting to be paid in cash to the directors for attendance fees.

Q. Will you refer to the resolution itself?—A. The date of the resolution I have not got with reference to the last five thousand.

Q. I think I saw the date of that resolution?—A. I think it was on the 2nd of October, 1902.

Q. On the 2nd of October, I find on reference to my notes, the resolution you refer to of the shareholders authorizing the company to pay \$5,000 to the directors and president. Is that right?—A. Well, I would like to see the minute book.

Q. I think it is the 2nd of September, 1903?—A. The resolution of the shareholders was dated on the 20th of October, 1903, voting 'that a sum not exceeding \$5,000 be voted to the board as remuneration to the president and directors for the services rendered by them during the year ending 30th of June, 1903.'

Mr. MONK.—Have you those cheques, Mr. Chairman?

The CHAIRMAN.—They are down in the record.

By the Chairman:

Q. That resolution was passed before the Quebec Bridge Company's Act of 1903, was it not?

Mr. ROSS.—A few days before that.

The CHAIRMAN.—Chapter 54 of 1903 was assented to on the 24th of October.

By Mr. Monk:

Q. Mr. Barthe, this sum of \$5,000 voted, as you have just stated, was voted to the directors of the Bridge Company in payment of attendances, regarding which there

was no previous resolution fixing any remuneration for the directors, is not that so?—A. There had been some before.

Q. Yes, there had been, and we will come to that presently, but is it not a fact that those attendances for which the directors were then voted the sum of \$5,000 were covered by no previous resolution?—A. It was done in the regular way that year. I might say, in explanation as to the date, that the general meeting of the shareholders usually takes place on the first Tuesday in September, and that year, owing to the legislation going on in Ottawa, we had to adjourn the meeting from September to October, so that that meeting of the 20th of October, 1903, was an adjournment of the regular general meeting of the shareholders; practically this resolution would have been passed on the first Tuesday in September of that year if the general meeting had taken place on that day, but it could not take place for the reason I have stated. That resolution was practically a repetition of what had been done every year for two or three years before.

Q. Let us understand this part of it, Mr. Barthe, because I think it is important. This vote of \$5,000 was for past services rendered, was it not, by the board of directors in question?—A. Yes, as stated in the resolution, for the year ending 30th of June, 1903.

Q. As stated, for the year ending 30th of June, 1903, and the directors had on previous occasions, by similar resolutions, been voted two sums, that is to say, \$10,000 in 1902 and \$5,000 on the 2nd of September, 1902, for other attendances than those which were covered by this \$5,000, is not that so?—A. Yes.

The CHAIRMAN.—What is that, there was \$15,000 besides this?

Mr. MONK.—Yes, making \$20,000 altogether.

By Mr. Monk:

Q. Will you refer to the resolutions of the shareholders by which these two previous sums of \$10,000 and \$5,000, respectively, were voted to the directors?—A. Yes, I have here copies of those resolutions.

Q. Will you produce them, Mr. Barthe?—A. Yes, I produce them as exhibits before the committee.

The CHAIRMAN.—I see that these are not only resolutions of the shareholders but there is a resolution of the board.

Mr. MONK.—Will you attach them altogether and make one exhibit?

(Documents filed as Exhibit 17.)

MEMORANDUM RE QUEBEC BRIDGE.

1. (a) Copy of resolution shareholders' general annual meeting, September 3rd, 1901:—

Moved by Amedée Robitaille, seconded by P. B. Dumoulin, and unanimously resolved:—

‘Whereas the construction of the Quebec bridge is now in an advanced state, which successful result is due to the unflinching and disinterested exertions of the president and directors;

‘Whereas for the past four years the members of the board of directors have devoted themselves to the success of the bridge enterprise without any remuneration whatever for their services, and whereas more than one hundred and twenty sittings of the board have taken place since the reorganization of the company in 1897;

‘That this general annual meeting of shareholders, considering that the gratuity of such services on the part of the president and directors should not exceed the first two years, and considering, moreover, the special services rendered to the bridge enterprise by the actual secretary, by the present resolution do authorize the board of directors to allow a sum not exceeding five thousand dollars for each of the two years

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1899 and 1900, to be allotted between the president, directors and secretary in such manner as the board of directors may consider the best in the interests of the company.'

(b) Copy of resolution, directors' meeting, January 15th, 1902:—

Moved by Mr. J. Breakey, seconded by Mr. G. Lemoine, and resolved:—

'Whereas the sum of \$10,000 is due to the members of the board by virtue of a resolution passed by the shareholders at their last general meeting, and whereas the directors desire to take that amount in stock;

'That the amount allowed to the directors, other than the president, be divided between them according to their attendance at meetings of the board, and that they purchase new stock fully paid-up for the amount respectively received by them.'

(c) *Re* allotment of stock between president, secretary and directors, directors' meeting, March 15th, 1902:—

'Second consultation from legal adviser in reference to allotment of stock between president, directors and secretary was examined, and the secretary was authorized to prepare an allotment list based on the attendance of directors between 11th March, 1899, and September 3rd, 1901, date of last general annual meeting.'

2. (a) Copy of resolution, general annual meeting, Sept. 2nd, 1902:—

Moved by Hon. A. Robitaille, seconded by George Tanguay, and resolved:—

'That a sum not exceeding five thousand dollars (\$5,000) be put at the disposition of the board as remuneration of the president and directors of this company for services rendered by them during the year ended June 30th last.'

(b) *Re* \$5,000 indemnity, directors' meeting, October 1st, 1903:—

'The secretary then submitted a record of attendance of directors during the year ended June 30th, 1902, and was instructed to prepare an allotment list according to the terms of the resolution of the general meeting in date of September 2nd, 1902, on the following basis: A sum of \$2,500 being allotted to the president and an equal sum of \$2,500 to be divided between the other directors in proportion to their attendance at board meetings during year ended June 30th, 1902; it being understood that the above amount is to be taken in shares of this company.'

3. (a) Copy of resolution *re* \$5,000 indemnity, shareholders' annual meeting, October 20th, 1903:—

Moved by Cy. F. Delage, seconded by A. B. Dupuis, and resolved:—

'That a sum not exceeding five thousand dollars (\$5,000) be allowed to the board as remuneration of the president and directors of this company for services rendered by them during the year ended June 30th, 1903.'

(b) Copy of resolution *re* \$5,000 indemnity, directors' meeting, October 20th, 1903:—

Moved by Hon. N. Garneau, seconded by H. H. Price, and resolved:—

'That the \$5,000 voted by the shareholders for the remuneration of the directors to June 30th, 1903, be divided as follows, viz.: \$2,500 to the president and \$2,500 to the other directors, to be divided between them according to their attendance at meetings.'

4. (a) *Re* proposed fee for directors, directors' meeting, March 29th, 1904:—

'Hon. N. Garneau proposed that regular attendance fee be voted to the directors, as is generally done in joint stock companies. The secretary was instructed to submit the question to the legal advisers.'

(b) *Re* proposed fee for directors, directors' meeting, April 9th, 1904:—

'A letter was read from Mr. L. A. Taschereau, the legal adviser, to the effect that the board have the power by resolution to provide for the remuneration of the directors as they deem fit, said remuneration being payable in cash.'

Copy of resolution and copy of vote taken by directors:—

5. (a) *Re* directors' fees, directors' meeting, April 16, 1904.

Moved by Mr. G. Lemoine, seconded by P. B. Dumoulin:—

‘That in consideration of the services rendered by the board of directors during the current year, the sum of \$5,000 be voted to the president, the sum of \$1,000 be voted to the vice-president and \$500 to each of the other directors for their attendance at meetings, and for all other vocations and services rendered in the interest of the company, said remuneration payable half yearly.’

The opinion of the board was unanimous as far as the president and vice-president were concerned, but some difference of opinion having been expressed on the question whether the remuneration of the other directors should be allotted, according to the attendance at meeting or not, it was decided to take a vote on that point, and the question was accordingly put by the president and the vote taken as follows:—

Yeas.—Hon. N. Garneau, John Breakey, J. B. Laliberte, V. Boswell, Rod. Audette, and G. Lemoine.—Six.

Nays.—H. M. Price, Narc. Rioux, V. B. Dumoulin.—Three.

The main motion was then adopted unanimously.’

By the Chairman:

Q. What does this resolution of April 16th mean, ‘That in consideration of the services rendered by the board of directors during the current year, &c., is that another amount of \$5,000?—A. Yes, that is after the issuing of debentures.

By Mr. Barker:

Q. What is meant by ‘current year’ there?

By Mr. Monk:

Q. Will you please state to the committee in regard to the vote by the directors of the 16th of April, 1904, concerning the apportionment of \$5,000, additional to the \$20,000 already referred to, for services; was this \$5,000 so apportioned, and at what meeting of the shareholders was that payment of \$5,000 so authorized?—A. It was in consideration of services rendered by the directors during the current year, that is from June 30th, 1903, to June 30th, 1904.

Q. From June 30th, 1903, to June 30th, 1904, and this was apportioned on the 16th of April, 1904?—A. It was so apportioned.

Q. And it was voted by whom?—A. By the directors, by the board.

Q. There is no resolution of the shareholders having reference to that special sum?—A. No, because I see here—there was a letter from the legal adviser of the board to the effect that the board had the power by resolution to provide for remuneration of the directors as they deemed fit, said remuneration to be payable in cash.

Q. Have you the opinion of the legal adviser upon that point?—A. No, I did not bring it with me.

Q. Who gave that opinion?—A. The Hon. Mr. Taschereau, who was counsel for the company.

Q. And he advised the board that they could vote money to themselves for their services without further authorization?—A. Yes.

Mr. GALLIHER.—Would it not be well, Mr. Monk, as you go along to start at the first of these resolutions and place it upon record how the vote was apportioned, and when and to whom the shares for that money were allocated?

Mr. MONK.—I just wanted before you take that up to complete this part of the evidence.

By Mr. Monk:

Q. Is this sum of \$25,000 all?—A. \$20,000.

Q. No, \$25,000; with this \$5,000, the total sum voted to the directors for their services was \$25,000, or are there any further amounts in addition to that?—A. I could not answer that precisely without looking up the book.

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Q. You could not answer that just now; will you look it up during the recess and prepare a statement of all further sums in addition to \$25,000 voted the directors?—A. I think we can have that prepared quickly, yes.

Q. And will you also have that letter of Hon. Mr. Taschereau?—A. Well, not to-day.

Q. But when you have an opportunity to procure it?—A. Yes.

By Mr. Galliher:

Q. I think we had better deal with the amounts voted and that were taken out in stock. There has been a suggestion made that Mr. Bell can make out a statement of that and file it.

Mr. BARKER.—Can you do that, Mr. Bell?

Mr. BELL.—Yes, sir.

Mr. BARKER.—Then will you prepare that?

The CHAIRMAN.—What you want is a statement of the remuneration that was converted into stock?

Mr. GALLIHER.—And then following that up, and remuneration subsequently, either in stock or cash.

By Mr. Chisholm (Antigonish):

Q. The \$15,000 spoken of as for attendance? Is that for services as well as attendance, travelling back and forth to New York and elsewhere; it did not mean simply attendances at the meetings of the board?—A. It was for general services and attendance, but it was based on the attendance. It was decided at first it was more just that way. The word 'allotted' was used because I had to apportion. I should have used the word 'apportion.' I had to make a list of the attendances and divide it up, so that they came to these uneven figures you see there—\$160.66.

Q. But these attendances were not for the chairman, they were for the directors other than the chairman?—A. The chairman's was a regular fee—an annual fee.

Q. He was being paid, not for his attendances at the meeting alone, but for the services he rendered in New York and elsewhere?—A. Oh, yes, certainly.

Mr. BARKER.—We had better have resolutions on these points. These vague statements are not evidence. If there is any resolution to pay a specific sum annually to the president, let us have it.

By Mr. Monk:

Q. Have you any resolutions regarding the salary of the president?—A. Not specially.

Q. Apart from the resolutions to which reference has been made?—A. Not apart from the board's resolutions. It was included in those resolutions.

By Mr. Chisholm (Antigonish):

Q. The board's resolutions state that the amount which was to be apportioned among the other directors——?—A. The other directors, the president of the company being paid at a certain——

Q. Was to be based on their attendance. It was the other directors that received that proportion. The chairman himself was to be paid \$2,500 for his services and attendance and the work that he had done?—A. Yes.

By the Chairman:

Q. There was no motion of shareholders granting to the president a stated sum, was there?—A. Well, later on I think there was.

By Mr. Walsh (Huntingdon):

Q. But not previous to this time?—A. No.

By Mr. Chisholm (Antigonish):

Q. You are aware that the chairman had a good deal of travelling and a good deal of work to do other than what the other directors had?—A. Certainly; he was the soul of the whole thing, and he practically did all the work.

Q. He lost a great deal of time and must have been put to a good deal of expense travelling?—A. Oh, yes.

By Mr. Monk:

Q. Have you, Mr. Barthe, a statement of expense account for travelling in connection with the question which was put to you by Mr. Chisholm?—A. No, I have not. That can be gathered from the books, but I have no—

Q. But you don't pretend that any of these amounts just referred to, and amounting in the aggregate to \$25,000, cover the travelling expenses?—A. I don't think so. I think in some cases they would pay for their expenses and travelling expenses—disbursements.

Q. Disbursements?—A. Disbursements. We have very few of them, but we have a few vouchers for that.

Q. Well, will you, at your leisure, make up a statement of travelling expenses or disbursements paid to the president or directors?—A. Yes.

The CHAIRMAN.—For what period, Mr. Monk?

Mr. MONK.—Well, from 1897 up to the present date.

Q. Will you, please, also, Mr. Barthe, prepare at your leisure a statement showing the shareholders present at these three meetings regarding which you have already spoken, the shares held by them, those that were present by proxy and who the proxies were?

By the Chairman:

Q. Can you do that, Mr. Barthe?—A. Yes, for the shareholders' meetings?

By Mr. Monk:

Q. Yes, the shareholders'?—A. Yes.

Q. The shareholders' meetings when resolutions were passed authorizing the payment of money to the directors?

The CHAIRMAN.—Do you confine it to these three meetings?

Mr. MONK.—Just those three meetings.

Q. Have you the by-laws of the company?—A. They are in a book containing a compilation of the charters of the company and its by-laws, etc.

Q. Will you produce the by-laws of the company?—A. Yes (producing by-laws). Pages 1 to 11 of the by-laws marked Exhibit 18.

Q. And these by-laws contained in Exhibit No. 18, which you have just produced, are all the by-laws of the company in force, are they not?—A. They are all the by-laws.

Q. The actual by-laws in force?—A. Yes.

Q. I do not see there any but amendments to by-laws that are in existence?—A. (Pointing to by-laws). This is the first part. These are the old by-laws, and in 1904 we amended them on some points.

Q. Can you point out in these by-laws which you have just produced anything authorizing the payment of sums of money to the directors for their services?—A. Well, that is a question of law. I could not give an opinion on that—whether it is authorized or not by the by-laws or by the charter.

By Mr. Barker:

Q. Mr. Monk has not asked you to construe any clause but to see whether there is in the by-laws anything on that subject?—A. I would have to read them over and see. It requires the eyes of a good lawyer to find that.

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By Mr. Monk:

Q. Do you think you will be able to trace in the papers of the company the opinion of Mr. Taschereau, legal adviser to the company, upon that point?—A. Upon the—

Q. Upon the payments?—A. All the payments?

Q. No, no, just the opinion as to the legality of the directors voting sums to themselves—the opinion to which you referred a few moments ago?—A. Yes, I know there are some letters on all these questions. You know we generally consulted our lawyer and he gave us his opinion. I cannot say here from memory.

The CHAIRMAN.—There is just one clause in the by-laws which has, by implication, an indirect bearing.

The WITNESS.—Here is the amendment to clause 8 of the by-laws which says (reads):

‘The affairs of the company shall be managed by a board of eleven directors, eight of whom were to be elected annually by ballot from among the shareholders at their annual meeting, each of whom, when elected director, must be proprietor of, and hold in his own name, at least fifty shares of the capital stock of the company on which all calls due have been paid, and they shall remain in office and be directors until their successors shall be elected, in case of any vacancy among the elected directors, the board may appoint a qualified shareholder to fill such vacancy. The three other directors are appointed by the Governor-General in Council and need not be possessed of the qualification required in the case of elected directors; they shall be entitled, as such directors, to the same fees or allowances from the company as are paid or allowed to the other directors.’

I think this is based on the amendment to the charter of 1903.

Q. You will look and see if you find an opinion?—A. Yes.

Q. Were these three directors—the government appointees—ever allowed any fees as the others were?—A. Yes.

Q. They were?—A. Oh, yes.

By the Chairman:

Q. Who were they?—A. They were Mr. J. B. Laliberte, Mr. Henri Rioux, and Mr. P. B. Dumoulin.

By Mr. Monk:

Q. Will you file before the committee, when you have made it, a statement showing the date of appointment of these three government directors?—A. It is mentioned in the minutes, I think.

Q. The date of their appointment and the meetings which they attended?

The CHAIRMAN.—For what period?

Mr. BARKER.—During their service?—A. Yes, that can be done.

By Mr. Monk:

Q. During their service as government appointees. Now, Mr. Barthe, in regard to this last \$5,000 which appears to have gone to make up the \$200,000 of stock required by the government in this agreement under the Act of October, 1903, that sum was chequed out to the directors by the company itself. Would you show me in the company's bank book the trace of the payment of this \$5,000 out of the funds of the company? You have shown me where the \$5,000 went to the credit of that stock?

The CHAIRMAN.—He has shown you the stamped paid cheques.

Q. I want to see the book?—A. The question is one of those rather complicated ones. There is a statement of facts in which I could not absolutely concur.

Q. But you have got the bank book showing that amount of \$5,000 actually passed to the bank as paid to the directors? They were all accepted on the same day, the cheques, 16th December?—A. That is we deposited the cheques.

By Mr. Chisholm (Antigonish):

Q. You made the statement just now that the question contained a statement of facts in which you did not concur, what do you mean by that?—A. I could not undertake to repeat the whole question, but it seemed to me, you know, rather one of these complicated questions I would not give any opinion upon.

By Mr. Barker:

Q. I would like to ask Mr. Barthe this : were the assets of the Quebec Bridge Company increased \$1 by these cheques being issued to the directors and applied on that stock?—A. Well, that is not a question absolutely——

Q. It is a simple question?—A. Well a question of fact. I don't know——

Q. On the one hand you paid out five thousand on your bank and on the other hand you paid five thousand back again, is that not it?—A. Well we paid——

Q. You issued cheques against your bank account for the \$5,000 to these gentlemen, did you not?—A. Yes, to their order, yes.

Q. And they gave you the cheques back and you put them back into the bank account again?—A. Well, that—they paid with these cheques their stock, that part of the stock.

Q. They gave you back these cheques on account of their stock they subscribed?—A. Well, I would not say they gave. I don't remember exactly the fact. I know the cheques passed through the banks. I would not care to give any interpretation on that, you know.

Q. Well, wait a moment. You issued cheques to the directors?—A. Yes.

Q. And the directors gave them back to the company, is not that the case?—A. Yes.

Q. Then was the company one dollar ahead in its capital by that transaction?—A. Well, that is——

Q. Answer the question?—A. Well, I would not——

Q. Had you a dollar more, by reason of the payment of that stock, than you had before you issued the cheques for the fees?—A. Well, the company was certainly getting more capital stock. Certainly because that money had been earned by the directors. They might have put that into their pockets and kept it.

The CHAIRMAN.—They were in the same position as if they had bought \$5,000 worth of steel girders and paid for them and then got Mr. Blank to subscribe.

Mr. BARKER.—We will have to discuss that.

The CHAIRMAN.—I see your point and I think you might as well leave it there. I think it is pretty clear.

By Mr. Gallihier:

Q. I would like to ask one question in connection with that. By the payment back into the treasury of these cheques that had been issued by the Quebec Bridge Company to the directors for \$5,000, dated November 23rd, 1903, the company had discharged a debt to the directors; is that right, or is it not?—A. Yes, that is so.

Q. What would have been the position of the company's accounts had the directors turned those cheques into money to their own account, instead of buying the stock?—A. The company would have been so much short.

Q. It would have been that \$5,000 short?—A. Yes.

The CHAIRMAN.—Then there is the other question of interpretation of the statute, whether this was in compliance with the Act?

Mr. GALLIHER.—Yes, I just wanted to make it clear on that point.

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By Mr. Barker:

Q. You were present when this transaction took place and when the cheques were ordered to be issued?—A. Certainly I was.

Q. Was it not intended that they were to be handed back in that way on the stock? Was or was it not the intention of all parties that these cheques were to be applied on \$5,000 of that \$200,000 stock?—A. Not exactly from the beginning, not from the start.

Q. From the time of the issuing of those cheques?—A. At the time of the issuing, yes; it had been decided, but when it was voted by the shareholders it was not decided, there was in some cases no question—

Q. At the time when you issued the cheques to the directors it was understood that they were to hand them in on that stock?—A. Oh yes, in the meantime it had been agreed between the directors to take the stock.

Q. Had you cash, at that time, of the company's with which to pay these fees?—A. I think the bank book will show it, yes; I have not the bank book in my hand.

Q. Were those moneys the proceeds of discounts for certain purposes or had you actually cash balances to your credit?—A. We had balances; at that time we had current accounts with two or three banks and we always had money.

Q. Always some money, eh?

Mr. GALLIHER.—All those cheques issued show that they were marked good by the bank, and charged against the account.

The CHAIRMAN.—What bank shows the balances, the Molsons bank?—A. And the Quebec bank.

By Mr. Chisholm (Antigonish):

Q. This buying of \$5,000 stock was a matter arranged among the directors themselves? It was arranged among themselves?—A. From the minutes it so appears.

Q. There was no understanding, as between the stockholders and directors, that the directors should buy that stock?—A. I do not think that—not by the shareholders—you have the resolutions there.

By Mr. Monk:

Q. At that time the Quebec Bridge Company had no source of revenue whatever, is not that the case?

Mr. GALLIHER.—What time are you speaking of?

Mr. MONK.—The time that this transaction took place—November, 1903. The company, as a matter of fact, never had any source of revenue?—A. We had revenue through the shareholders and the calls for the capital itself. Its capital stock was its only resource.

By Mr. Monk:

Q. It was not earning anything then?

The CHAIRMAN.—Were you not earning subsidies?

A. The company had no revenue and was not earning anything—

Mr. GALLIHER.—Hadh't you the provincial subsidies?

Mr. BARKER.—That is not 'earning.' The question is as to revenue.

A. I understand you this way, that the company, not being in operation, had no revenue.

Mr. BARKER.—That is what I mean.

Mr. GALLIHER.—I think that ought to be made clear. 'Revenue' is rather a wide term. Whether it is revenue actually earned by operation of the project or whether it is something for the purpose of the company—

The CHAIRMAN.—It had a contingent revenue.

By Mr. Monk:

Q. As a matter of fact, was not this \$5,000 checked out of the proceeds of the discounts made by the company at the Molsons Bank, as shown by the book produced?—A. That is a question of the treasury that I am not ready to answer; I could not answer; I am not competent to answer that question.

By Mr. Barker:

Q. About this \$94,900 paid in by M. P. Davis on the 22nd of February, 1907, that formed part of the \$200,000 extra capital stock prescribed under the Act?—A. Yes, according to the statement made——

Q. The Act of 1903?—A. Yes.

Q. Will you explain how it was that a subscription of capital that was required by an Act of 1903 was not carried out until November, 1907?—A. I would not undertake to explain that point.

The CHAIRMAN.—In other words, why was Mr. Davis' cheque held; I suppose that is the point?

By Mr. Barker:

Q. It is quite clear it had not passed to the benefit of the company. Why had that \$94,900 not been received by the company in cash as so much of its additional paid-up capital?—A. I have myself no personal explanation to give of that, because I have only what appears in the minute book itself.

By Mr. Galliher:

Q. What was the date of that cheque?—A. It was given in 1904.

By Mr. Barker:

Q. There was no arrangement that you should not cash that cheque?—A. Myself? I have——

The CHAIRMAN.—That is a treasury matter.

A. I waited——

By Mr. Barker:

Q. Of course, if you do not know, it is sufficient to say you do not know?—Yes, I do not know.

Q. There was no arrangement, to your knowledge, with Mr. Davis about the postponement of that payment?

The CHAIRMAN.—He says he doesn't know anything about it.

A. All I know is what is in the minute book and the bank book.

By Mr. Barker:

Q. As secretary, have you any knowledge of any arrangement between the company, or between the directors and the president of the company and Mr. Davis that that \$94,900 should not be paid in cash?—A. No.

Q. You do not know that?—A. I do not remember having any special instructions as to that.

Q. Did you ever hear there was such an arrangement?—A. Well, I may have, but——

The CHAIRMAN.—But not officially?

A. Not officially.

By Mr. Barker:

Q. I want to know what you hear; I do not know whether you have an official ear or not. Have you any knowledge at all; tell us that, and then we will see whether it

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is knowledge we can put in evidence; of any arrangement by which that \$94,900 was not to be paid in at once?—A. I was not a party to any such arrangement if there ever was such, but I only followed instructions that were given to me to keep the cheque, to hold the cheque.

Q. Who gave you those instructions?—A. Well, I do not remember exactly; it may have been the president or some of the directors, but I cannot say. I know at the time it was understood that the railways would come in and divide it between themselves. I understood that was one of the reasons.

Q. Would you accept the directions of any ordinary director upon such a subject as that, or would you seek the direction of the president?—A. Of course, it is generally the president who gives instructions.

Q. Have you any recollection of that?—A. On that question? I could not; no, sir.

Q. To your knowledge, was any arrangement ever made between the directors or the president of the company and Mr. Davis in relation to that subscription of stock by him?—A. No; I just received the subscription as secretary and gave the receipts for the stock. I was not party to any arrangement.

Q. You never heard that there had been any arrangement in regard to that, other than the ordinary subscription by Mr. Davis, just the same as a subscription by Mr. Allan or anybody else; did you hear any special arrangement with regard to that \$94,900?—A. No; I told you I was not a party to any negotiation of that kind; I was just acting as secretary, receiving the subscriptions and carrying out my instructions.

Q. I am not quite so sure when you make use of the words that 'you were not a party' what you mean, do you mean that there was such an arrangement but that you were not a party to it?—A. I mean—that is why I do not like to be examined in English, it is not fair for me, because in my own language I would make myself plain.

Q. I understand that you are not a party to any arrangement of that kind, but have you any knowledge of any such arrangement?—A. I said, no, I have no official knowledge of it, the only knowledge that I have—

Q. You have no official knowledge?—A. As secretary.

Q. You have no knowledge as secretary; have you any knowledge at all, Mr. Barthe?—A. You mean to say, have I heard by this man or that man that something—

Mr. GALLIHER.—I want to object; if that knowledge comes from a source such as a director or the president of the company it is a proper question—

Mr. MONK.—The witness is asked, 'Have you any knowledge', and we all interfere at once.

Mr. GALLIHER.—I do not want to interfere at all, but the question whether it is evidence or whether it is not evidence depends upon who he received it from. If he has no knowledge from a director or the president of the company then it is not evidence.

By the Chairman:

Q. The holding of this cheque and not cashing it was not your act, Mr. Barthe?—A. Well, yes, I held it.

Q. You held it on the direction of your superiors?—A. Yes.

By Mr. Barker:

Q. Now, Mr. Barthe, I intend to get an answer to my question if it takes all week, as the saying is. I have asked you, have you any knowledge of any arrangement between the company, the directors or the president, and Mr. Davis with regard to that subscription by him?

Mr. GALLIHER.—I object to that.

The CHAIRMAN.—Let Mr. Barker finish his question.

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By Mr. Barker:

Q. I ask you, have you any knowledge on that subject?—A. No.

Q. Now, wait a moment, you have told me two things, first of all that you have no official knowledge of it, and that you have no knowledge of it as secretary; that is not my question. I want you to say, 'Yes' or 'No;' that is all I am going to ask you, have you any knowledge whatever on the subject?

Mr. GALLIHIE.—I object to that question for this reason, that it will depend on the source whence it comes whether it is evidence. If Mr. Barker will alter his question by adding 'from anyone in authority,' then I think there could be no objection.

By Mr. Barker:

Q. He can say, 'Yes' or 'No,' and then I can ask him from whom he obtained his information.

The CHAIRMAN.—I do not understand your question myself, Mr. Barker, now what knowledge do you want? You want to know if he has any knowledge of——

Mr. BARKER.—Any transaction.

The CHAIRMAN.—Or any arrangement——

Mr. BARKER.—Between the company, or the directors or the president and Mr. Davis with regard to that subscription.

The CHAIRMAN.—As to whether he was to hold the cheque or not?

Mr. BARKER.—Anything outside, as I have said before, the ordinary subscription of stock.

Mr. CHISHOLM (Antigonish).—It would have to be official knowledge, or if it was not, it would not be evidence at all.

The CHAIRMAN.—As I understand it you want to know if the witness had any knowledge of any arrangement between the company and Mr. Davis regarding his payment of that subscription?

By Mr. Barker:

Q. From the company or any of the directors, or Mr. Parent?—A. No other knowledge than the instructions to hold the cheque until further orders and with the proper understanding which I may have gathered, at the time, that that payment was held to be divided later on between the railways, and then, I think too, that there was some question of Mr. Davis, some objection to Mr. Davis holding too much of the stock.

Q. Objection by whom?—A. Generally among the directors, I would not mention anybody.

The CHAIRMAN.—That is a pretty fair answer.

By Mr. Barker:

Q. There was some hesitation about accepting his subscription for the whole?—A. Yes, generally.

Q. And therefore the matter was held in suspense?—A. Yes, well, I had it in suspense, I got the cheque and I was told to keep it until further notice.

Q. And this question as to whether he should be the holder of so much stock was, as you thought and understood, the reason for the holding of the cheque?—A. Yes, that was it. I might add, that the cheque, the first cheque was for over \$100,000, because it covered \$25,000 of the Grand Trunk Railway which was paid in the month of February, some time afterwards, reducing the amount to \$94,900.

By Mr. Monk:

Q. You say there was another cheque before this one for \$94,900?

The CHAIRMAN.—For \$94,900 plus \$25,000.

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By Mr. Monk :

Q. What became of that cheque for over \$100,000?—A. It was exchanged for the other.

Q. When?—A. After the payment by the Grand Trunk, I suppose; after the Grand Trunk took the stock.

Q. You got the cheque for the company of \$94,900 plus \$ 5,000, and some time after you got the cheque for \$94,900. Surely you are able to fix the dates to a certain extent? When was that cheque for \$100,000 odd taken up and replaced by the cheque for \$94,900? In what month or year?

The CHAIRMAN.—Can you get that between now and this afternoon?

A. Perhaps Mr. Paquet can get it.

The CHAIRMAN.—Can you get it for this afternoon, Mr. Paquet?

Mr. PAQUET.—Yes, sir.

The CHAIRMAN.—Then we will get it this afternoon.

By Mr. Galliher:

Q. I just want to have one point made clear. Do I understand it was not a question whether Mr. Davis would take the stock \$94,900, but the question was whether the company was willing to give him stock to that amount?

The CHAIRMAN.—I suppose they wanted to conform with the Act.

Mr. GALLIHER.—That is all right, but I think it is a little different to what Mr. Barker expressed it. The way he expressed it would convey the meaning that Mr. Davis merely put up that cheque, but had no intention of taking, at any time, \$94,900 worth of stock.

Mr. BARKER.—I did not say that.

By Mr. Galliher:

Q. That is the way it was put. I want to know—if you do not know, why say so—I want to know if you know that it was a question of Mr. Davis wanting himself to take \$94,900 or rather a question of the company not desiring to give him that much stock?—A. There was a general desire.

Q. The cheque was held?—A. There was a general desire not to issue that amount of stock in the whole to Mr. Davis, because it was——

Q. A general desire with whom, with the company?—A. Of the company.

The CHAIRMAN.—Or the directors, which?

Q. There was \$188,721 coming to Mr. Davis out of that anyway, wasn't there—out of the \$200,000?—A. Yes.

Q. So that he was practically getting, under any circumstances, the proceeds of that subscription of \$200,000?—A. Yes.

The committee rose.

HOUSE OF COMMONS,

COMMITTEE ROOM No. 32,

TUESDAY, June 9, 1908.

The committee met at 4 o'clock p.m., the Chairman, Mr. A. K. Maclean, presiding.

The examination of Mr. Barthe resumed:

By Mr. Monk:

Q. Have you had time to prepare the different statements which you were asked for this morning: travelling expenses, the opinion of Mr. Taschereau, a list of those

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present at the shareholders' meeting, the stock they represented and those that were represented by proxies, who were the proxies, and the attendance of the three directors named by the government?—A. As to the letters from Mr. Taschereau, I have to get them from Quebec. I can get them only to-morrow. As for the other statements, they are in the typewriter's hands just now.

Q. All the other statements are in the typewriter's hands?—A. I understand the travelling expenses are not.

Mr. BELL.—To get out the travelling expenses you would have to go through the cash book from one to the other; there was no ledger account kept. They are very small items; but to make sure of the amount, you would have to go through the cash book from one end to the other.

The CHAIRMAN.—Do you accept that as satisfactory, Mr. Monk?

Mr. MONK.—That is satisfactory.

Q. Such expenses, Mr. Barthe, as were incurred in travelling were charged separately from these amounts devoted to the directors for their services, were they not?—A. Oh, yes, that was charged outside of that.

Q. Was it you, Mr. Barthe, who had charge of the banking of the company, who deposited the different amounts that came into the company?—A. Yes, up to 1903, I think, after which the by-laws were changed so as to divide the office of secretary-treasurer in two.

Q. In 1903?—A. No, in 1904. Mr. Paquet was then appointed secretary. After that he had charge of the banking business.

Q. Can you give the date of Mr. Paquet's appointment?—A. I think it was in April, 1904, if I remember well.

Q. By the directors?—A. By the directors. It can be shown by the minutes.

The CHAIRMAN.—Is that about correct, Mr. Paquet, April, 1904?

Mr. PAQUET.—Well, I don't remember exactly; it is about that date.

The WITNESS.—You can see by the minute book.

By Mr. Monk:

Q. Who was instructed, Mr. Barthe, to deposit the cheque for ninety-four odd thousand dollars at the end of 1907?—A. I think it was Mr. Paquet.

Q. Do you remember receiving any instructions at that time as to the deposit of that cheque?—A. Not exactly for the deposit of that cheque. I don't remember ever having had any special instructions.

Q. Was the cheque in your possession as secretary at that time?—A. Yes; it was in our books, in our vault.

Q. It was payable to the order of the company, was it?—A. Yes, as far as I can remember it was payable to the order of the company.

Mr. BELL.—I have those cheques, Mr. Monk.

By Mr. Monk:

Q. Did the company, Mr. Barthe, keep a separate account of what was done with the \$200,000 of stock subscribed under the agreement with the government of October, 1903?—A. That would be for the treasurer to answer exactly to that. I think so, but—

Q. You could not point out in the books yourself that account?—A. No, I am not familiar enough.

Q. How was that account carried, Mr. Barthe, while you held the cheque for \$94,600 in your possession?—A. Well, it was debited, or credited, I don't know which, to the capital stock account.

Q. Can you tell the committee anything as to when and how the \$188,000 discount, representing the discount on the first debentures of the company, were paid and taken up?—A. Well, it was paid out of the bonds, the new bonds—the proceeds of the new bonds, through the Bank of Montreal and the Royal Trust.

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Q. Do you know if it was paid in one lump sum?—A. It formed part of the outstanding debt, you see.

Q. And was that outstanding debt all paid at the same time?—A. Yes.

Q. With the product of the new bonds guaranteed by the government?—A. Yes.

Q. Can you fix a date for the payment of that \$188,000?—A. No, not myself. It would be for the treasurer to give those particulars.

By the Chairman:

Q. Section 4 of the agreement strikes me as being very awkwardly drafted. What is put here as discount on bonds of \$188,721 was really a debt to Mr. Davis, was it not?—A. Yes.

Q. He took bonds in payment of work performed by him as a contractor?—A. Yes.

Q. At a discount?—A. At a discount.

Mr. BARKER.—He owned the bonds. It should not be a debt to him. He took \$400,000 of bonds at 60 cents on the dollar.

By the Chairman:

Q. There is still due to him the difference between 60 and 100?—A. Yes. Well, not only that, but he did——

Q. Other work?—A. Other work.

Q. Yes, I know; but there was \$188,721 due him as contractor?—A. Yes.

Mr. BARKER.—Mr. Barthe had better be careful about it, because it does not follow there was any such figure at all. Bonds to the amount of four hundred and odd thousand dollars were sold at 60, by which the capital lost \$188,000. There may not have been any such difference.

By the Chairman:

Q. Who lost this discount on the bonds, the contractor or the company?—A. I could not answer.

The CHAIRMAN.—All right, we will get that from Mr. Bell.

By Mr. Monk:

Q. Where were those bonds engraved, Mr. Barthe?—A. By the American Bank Note Company.

Q. Do you happen to have one unsigned here? There are generally some left over?—A. No, I have not one here. We may have kept a sample in our records, but I am not sure.

Q. Will you look and see if you have a sample?—A. You have the whole text of it in the mortgage trust deed. In the mortgage trust deed you have the whole thing—the form of the bond.

The CHAIRMAN.—Yes, it would be there, of course. It always is.

The WITNESS.—The form of the bond, yes.

The CHAIRMAN.—At page 27.

Mr. MONK.—The form of the bond is to be found at page 27 of the printed mortgage trust deed.

The CHAIRMAN.—Yes, at pages 27, 28 and 29.

By Mr. Monk:

Q. Can you give me the date of the signing?—A. The signing of the bonds?

Q. By the government and by the company?—A. Oh, no; I could not, not from memory.

Q. Is there not a resolution regarding the signing and the affixing of the seal of the company to these bonds in the record of the bridge company?—A. Well, yes, there must be.

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The CHAIRMAN.—There must be an authorization. In what year were they issued?

Mr. MONK.—In 1904 they purport to have been signed—the 1st of February. Do you remember the date of that, Mr. Bell?

Mr. BELL.—Some time between December, 1903 and February or March, 1904.

Mr. MONK.—It is 1904 some time.

The CHAIRMAN.—The mortgage deed would recite the resolution, probably, of the board.

Mr. BELL.—But the bonds would be signed afterwards.

The CHAIRMAN.—The resolution of the company is dated 28th January, 1904.

By Mr. Monk :

Q. Were those bonds all delivered to the bridge company, had you them at any time in your possession?—A. As soon as they were signed by us they were delivered to the Royal Trust Company.

Q. What was the procedure? Were they signed by your company and then handed over to the government and then handed back to you and by you to the Trust Company, or was it in some other way it was done?—A. I think the government's signature was dispensed with. I don't remember exactly but I don't think they went to the government.

By the Chairman :

Q. These bonds were never sold, were they?—A. No, sir.

Q. A loan was obtained upon them from the Bank of Montreal?—A. Yes.

Mr. BELL.—The committee can get one of these bonds from the Finance Department.

The CHAIRMAN.—I think it would be well if we were to have the resolution passed by the board showing how the bonds got into the possession of the Bank of Montreal. I will read it (reads):

'Whereas the president and the committee of this board have reported to this board that the Bank of Montreal is prepared to make or arrange for an advance to this company of \$1,250,000 to bear interest at the rate of five per cent per annum and to be repayable on or before the first day of July next, the repayment of same to be secured by an agreement to deposit in pledge with said bank as soon as issued first mortgage bonds of the company of the issue authorized on the 28th of January, 1904, guaranteed by the government of Canada to the amount of \$6,678,200 par value or its equivalent in pounds sterling, said agreement in the meantime charging the whole of said issue of first mortgage guaranteed bonds to the amount of \$1,437,500 as aforesaid, with repayment of said advance and interest, said agreement to be executed by all such parties and to contain all such terms and provisions as the bank may consider reasonable for the purposes aforesaid. Resolved that the arrangements in respect of said advance and security so made with said bank be and the same are hereby approved and adopted, and the president be and he is hereby authorized on behalf of the company to do and cause to be done all such acts and things as he may deem proper and the bank may require for the purpose of completing such arrangements including a settlement on behalf of the company of the terms of the said security agreement or agreements; and the president and the secretary treasurer be and they are hereby authorized in the name of and on behalf of the company to execute such agreement or agreements as the president may agree to and any other deeds or documents that may be required for the purposes aforesaid. Said advance when made to be paid over to the Royal Trust Co. and dealt with as provided in the tenth clause of the mortgage trust deed, dated the first of February, 1904.'

That resolution was presented at a meeting of the board of directors on the 6th February, 1904, and was unanimously passed.

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By Mr. Monk :

Q. Who were the directors present at that meeting, Mr. Barthe ?—A. (Reads): 'Hon. S. N. Parent, in the chair; Messrs. R. Audette, J. Breakey, H. M. Price, Gaspard LeMoine, Vesey Boswell, Hon. N. Garneau, J. B. Laliberte, N. Rioux, P. B. Dumoulin and Hon. J. Sharples.' I think it was pretty nearly a full board. (After examining minutes). Yes, a full board.

Q. Have you, Mr. Barthe, the agreements which were entered into with the Bank of Montreal, pursuant to the resolution which has just been quoted ?—A. Yes, sir (producing document).

EXHIBIT No. 19.

(Duplicate)

THIS AGREEMENT made the twenty-third day of February, A.D. 1904.

BETWEEN

The Quebec Bridge and Railway Company, a body corporate, duly incorporated by the Parliament of Canada, and having its chief place of business in the City of Quebec, and herein acting and represented by the Honourable S. N. Parent, its president, and Ulric Barthe, its secretary, duly authorized for the purposes hereof, (hereinafter called the company) of the first part.

AND

His Majesty King Edward VII., acting in respect of the Dominion of Canada, herein acting and represented by the Honourable William Stevens Fielding, Minister of Finance for Canada (hereinafter called the government), of the second part.

AND

The Bank of Montreal, a chartered bank of Canada, having its head office in the City of Montreal, and herein acting and represented by the Hon. George A. Drummond their vice-president, duly authorized for the purposes hereof (hereinafter called the bank), of the third part:

Whereas the company on or about the 28th day of January, A.D. 1904, resolved to exercise the borrowing powers granted to the company under the Acts of the Parliament of Canada being 3 Edward VII., Chapters 177 and 54 (1903), by creating an issue, and did thereby create an issue, of first mortgage bonds of the company to the extent of six millions six hundred and seventy-eight thousand two hundred dollars to be guaranteed by the government, under said Act 3 Edward VII., c. 54 and the agreement dated the 19th day of October, A.D. 1903, hereinafter called 'the scheduled agreement.'

And whereas the government in pursuance of said Act 3 Edward VII., c. 54, and the scheduled agreement, by order of the Governor in council has directed the Minister of Finance to execute and accordingly the Minister of Finance has contemporaneously with the execution hereof duly executed the guarantee, guaranteeing the payment both as to principal and interest of all the said first mortgage bonds of the company forming part of the said issue;

And whereas by a notarial mortgage trust deed dated the 1st day of February, A.D. 1904, and executed before Mr. Joseph Allaire, Notary Public, of the City of Quebec, and made between the company of the first part and the Royal Trust Company of the second part and His Majesty King Edward VII., of the third part, the company did thereby grant and convey unto the said trust company, as trustees, all the railway bridge, property and undertaking of the company to secure the payment of the whole of said issue of first mortgage guaranteed bonds; all as and in the manner fully set forth in the said mortgage trust deed, which also contains full particulars of the said issue of bonds and of the forms thereof and of the form of said government guarantee so given and executed as aforesaid;

And whereas some delay will intervene before the said first mortgage bonds can be engraved, executed and completed by the company and delivered over to the said trust company;

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And whereas the company has applied to the bank for advances to the extent of one million two hundred and fifty thousand dollars to be applied in the first place in the payment of the balance of the obligations and indebtedness of the company mentioned in the scheduled agreement, and then in and towards the construction and completion of the undertaking and acquisition of the right of way and other lands in accordance with the provisions in that behalf contained in the scheduled agreement.

And whereas the bank has agreed to make the said advances upon the terms and upon the guaranteed and other securities and subject to the agreements and stipulations herein contained; all of which are hereby declared to be conditions of, and one of the considerations for the making of such advances;

Now therefore this agreement witnesseth that it is hereby agreed by and between all and every the parties hereto as follows:—

The bank agrees to make to the company from time to time between the date hereof and say the 15th day of June, A.D. 1904, advances not exceeding in the aggregate the sum of one million two hundred and fifty thousand dollars upon promissory notes of the company payable on demand with interest computed at the rate of five per cent per annum; said advances to be made in such sums as may be required by the company from time to time during said period; and the company hereby obliges itself to pay to the bank on demand all said advances and interest thereon at the rate aforesaid computed from the respective times of the makings of such advances, and the promissory notes from time to time respectively representing the said advances and interest; all said advances are to be paid over by the bank to said trust company who shall deal with the same as follows:—

Firstly. Out of said advances to pay all the obligations and indebtedness of the company mentioned in the scheduled agreement, including the existing outstanding bonds and mortgages therein mentioned and interest (if any), as and in the manner provided by subclause (a) of the 10th clause of the said mortgage trust deed;

Secondly. Then out of the said advances to pay to the company eighty-five per cent of the par value of the amount of bonds mentioned in such certificates in writing addressed and presented to and left with said trust company as may be granted by the chief engineer of government railways, or such other officer as the government may appoint to give and sign such certificates in pursuance of the said 10th clause of the said mortgage trust deed.

2. The company hereby agrees with the bank that the company will, as speedily as reasonably possible, cause to be engraved, sealed and executed by the company, the said issue of \$6,678,200 first mortgage bonds of the company, all as mentioned in and in accordance with the provisions of the said mortgage trust deed, dated the first day of February, 1904, and will, so soon as the said bonds are so sealed and executed, deliver the whole of the said issue, with all the interest coupons belonging thereto, to said trust company, as provided in the said mortgage trust deed.

3. And it is agreed that so soon as the said issue of guaranteed first mortgage bonds shall be delivered to the said trust company as aforesaid, the said trust company is hereby authorized to deliver thereout to the bank bonds of the par value of one million four hundred and thirty-seven thousand five hundred dollars Canada currency (or its equivalent in pounds sterling, if said bonds are issued in sterling money), together with all the coupons belonging thereto; to be held by the bank in pledge as an additional continuing collateral security to secure to the bank repayment of all said advances made to the company in pursuance hereof and interest, whether represented by the demand notes aforesaid or by any renewals or re-renewals thereof, in whole or in part, or otherwise howsoever; and if default shall be made in the repayment at the respective maturities of the same from time to time of all or any of the said advances, interest, notes or premises, or any part thereof, the bank, after giving to the company fourteen days' written notice of its intention to sell said bonds so pledged, may from time to time sell in any way whatsoever it may deem advisable, and in one lot or several, and transfer to the purchaser or purchasers of same all or

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any of said bonds; and the bank, out of the moneys received from any such sale or sales, in the first place, shall pay or retain the cost and expenses incurred in and about any such sale or sales; and, in the next place, shall apply the residue of said moneys in or towards payment of the said advances, interest and premises; and it is declared that any such written notice shall be sufficient, if signed by the general manager of the bank, or the manager of the Quebec branch of the bank for the time being, and if sent by registered letter addressed to 'The Quebec Bridge and Railway Company, Quebec, Quebec,' and mailed in the city of Montreal or the city of Quebec fourteen days before any such sale; provided that nothing herein contained shall be deemed to oblige the bank to renew any negotiable paper of the company at any time held by the bank; and it is further agreed that until the delivery of the said \$1,437,500 of said first mortgage guaranteed bonds to the bank in pledge as aforesaid, the bank (subject to the obligations and indebtedness of the company mentioned in the said 10th clause of said mortgage trust deed, which are to be paid out of said advances), shall have first lien and charge upon the whole of the said issue of first mortgage guaranteed bonds by way of collateral security to secure the amounts from time to time owing by the company to the bank in respect of said advances to be made hereunder, and interest thereon.

4. It is further agreed that if the company shall duly and punctually perform, observe and carry out all and every the terms, provisions and conditions of this agreement, and shall duly give the security as herein provided, the bank will not, before the 1st day of July, A.D. 1904, demand payment of the said advances from time to time made in pursuance hereof and to be represented by demand promissory notes as aforesaid.

5. It is hereby declared that, notwithstanding anything herein contained, the bank, whilst holder of any of the said bonds of the company, shall, as such bondholder, be entitled to and have and exercise all the powers, rights and remedies which bondholders are entitled to and given and granted by the said bonds and by the said mortgage trust deed, it being hereby declared that the powers, rights and remedies expressly given or agreed to be given to the bank by these presents are in addition to those to which the bank may be or become entitled to as such bondholder as aforesaid.

IN WITNESS WHEREOF the parties hereto have executed these presents.

Signed and delivered by the company, and
countersigned in the presence of
N. A. CANNON.

S. N. PARENT.
ULRIC BARTHE.

Signed on behalf of the government, in the
presence of
C. W. TREADWELL.

W. S. FIELDING.

Signed and sealed by the Bank of Montreal,
in the presence of
JAMES SMITH, Montreal,
Transfer Clerk,
Bank of Montreal.

For the Bank of Montreal,
GEO. A. DRUMMOND,
Vice-President.

By Mr. Galliher:

Q. These bonds according to that resolution, were not left on deposit with the Bank of Montreal for the advance of one and a quarter million dollars?—A. No.

Q. They were turned over to the Royal Trust Company?—A. Yes.

Q. Then as amounts became due the Bank of Montreal advanced 80 per cent of those due amounts according to progress estimates. Is that correct?—A. Yes.

Q. And a sufficient number of those bonds were handed over from the Royal Trust Company to the Bank of Montreal to meet that advance?—A. Yes.

Q. Is that correct?—A. Yes.

Q. And only that sufficient number of bonds?—A. Yes, certainly.

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Mr. BELL.—Eighty per cent of the face value. Supposing there were \$80 of money you paid \$100 of bonds.

The WITNESS.—Eighty-five at the beginning.

Mr. GALLIHER.—We will say there were \$100,000 due. If I understand it, bonds to that extent would be transferred from the Royal Trust Company to the Bank of Montreal?

Mr. BELL.—If there were \$100,000 due, bonds to the par value of \$120,000 would be transferred to the Bank of Montreal. In the case of progress estimates, the chief engineer of the department issued a certificate to cover the amount of money due, also certifying to the amount of bonds required to cover this amount. Supposing \$100,000 was the amount of the estimate, the Royal Trust Company transferred \$120,000 in bonds, and the certificate of the chief engineer would be that \$100,000 was due the company, and the Royal Trust Company should release \$120,000 in bonds to cover this amount.

The CHAIRMAN.—You say there was 20 per cent premium, it was not discounts?

By Mr. Galliher :

Q. Was every progress estimate for the full amount due or only for 80 per cent?

Mr. BELL.—For the full amount due.

Q. Were the contractors paid the full amount of the progress estimate?

Mr. BELL.—It was not with the contractors at all; it was the amount due the bridge company. The certificate was only to cover the amount due the bridge company, and the bridge company, when they got the money paid the contractors or whoever they owed.

By Mr. Chisholm (Antigonish) :

Q. Then the progress estimate was a matter between the contractors and the company?

Mr. BELL.—Yes, the chief engineer certified to the amount due the Quebec Bridge Company what they had earned, or spent, it did not matter how much it was.

By the Chairman :

Q. This is part of Section 7 of the agreement: (reads).

'The said bonds, debentures or other securities shall be so issued as to provide for monthly payments as far as practicable to the company, and they shall be issued, or the proceeds thereof paid to the company, as the construction of the undertaking is proceeded with, to the satisfaction of the government and in such sums as the chief engineer of the government, or such other officer as the government may appoint, may certify are justified.'

Then to get the amount in question, if the engineer certified progress estimates to the extent of \$100,000, \$120,000 worth of bonds were transferred from the Royal Trust Company to the Bank of Montreal and the Bank of Montreal advanced this \$100,000 on them, is that right, Mr. Bell?

Mr. BELL.—Yes, that is right. It is understood of course that the bonds were never sold, they were always in the hands of the trust, the Bank of Montreal advanced the money and these were given as collateral security.

By Mr. Galliher :

Q. The point I want to make is that they were only hypothecated from time to time as necessary, in order to meet the estimates?

Mr. BELL.—Yes.

The CHAIRMAN.—Why would there be a premium advanced on the estimates of 20 per cent?

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Mr. BELL.—I do not know the reason of it, but I presume you might have put those bonds on the market and they might only have brought 80, or they may have brought 100.

By Mr. Barker:

Q. That is an additional security to the bank?

Mr. BELL.—To give them a first class security.

The CHAIRMAN.—That would be valuing them at about 80?

Mr. BELL.—It was only a temporary loan, and these were given as collateral.

Examination of Mr. Barthe resumed:

By Mr. Monk:

Q. Under the terms of that agreement which you have just produced of the 23rd of February, 1904, what was the sum of money which the Quebec Bridge Company had placed at its disposal; how much was the amount of the loan upon the Bank of Montreal?—A. It is stated in that agreement.

Q. I have not had the time to read over this agreement. Will you tell me how much the amount was?

The CHAIRMAN.—I think, Mr. Monk, you will have to put the question in another way. \$1,437,500 was apparently the amount they had in mind at the time, but they never got it. You had better reserve that question for the treasurer.

By Mr. Monk:

Q. At any rate, Mr. Barthe, the proceeds of that first loan made from the Bank of Montreal under that agreement of the 23rd February, 1904, to what object were they to be applied? Is it a fact that they were to be employed to pay off the outstanding liabilities?—A. They were for all the purposes of the company, the object is given, for the construction of the bridge, of course including the outstanding debt which was part of that.

Q. Can you trace in the books of the company the payment of those outstanding liabilities mentioned in the agreement, as over \$700,000, and when they were paid?—A. Yes, it appears from the books. I suppose the first note that we gave to the Bank of Montreal will show it.

The CHAIRMAN.—That is the first estimate?—A. No, it was not an estimate.

By Mr. Monk:

Q. I understand that they were to extinguish those outstanding liabilities before giving estimates, and I would like to know when that was done?—A. That was done after the mortgage trust was signed.

Q. I presume it was done with this first money that came from the Bank of Montreal?—A. Yes, out of that temporary loan.

By Mr. Barker:

Q. Out of the temporary loan?—A. Of course.

By Mr. Galliher:

Q. Surely the books will show that?—A. The treasurer will show that in the books.

The CHAIRMAN.—Mr. Bell, Mr. Monk wants to know when the outstanding liabilities of the company were liquidated through the Bank of Montreal?

Mr. BELL.—I think on the 18th of February, 1904, he will find it in my report there.

Mr. ROSS.—Later than that?

Mr. BELL.—It may be later than that, I will look it up.

Mr. BARKER.—Mr. Bell, although he is assisting here, is not an officer of the company and we want to get it from an officer of the company.

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Mr. BELL.—It was in February, 1904, the first payment out of the \$898,000 odd.

Mr. MONK.—Where is that to be found?

Mr. BELL.—It is in the detailed statement attached to the file.

The CHAIRMAN.—It is not in the report, Mr. Bell?

Mr. BELL.—Not in the main report, the detail of it is attached to 'A' in this file, this is the file brought down by the Railway Department giving copies of everything we have in our possession practically.

Mr. BARKER.—Put it in as an exhibit; are these copies or originals?

Mr. BELL.—Copies prepared for Mr. Borden, but it has been turned over, I believe, to the committee.

The CHAIRMAN.—Perhaps you had better read that.

Mr. BELL.—'Add amount paid Ottawa, February, 1904, to settle account of Mr. M. P. Davis, and not entered in cash-book, \$898,264.73.'

By Mr. Galliher:

Q. I think that was applied in this way. That amount that is shown, and has been mentioned, \$800,000, was paid for the purpose of liquidating the interim bonds held by Mr. M. P. Davis?

Mr. BELL.—Not only the interim bonds but the balance of the account.

Mr. GALLIHER.—At all events all the interim bonds held by Mr. Davis had to be liquidated before they could issue new bonds?

Mr. BELL.—Yes.

Mr. GALLIHER.—And were liquidated out of that amount?—

Mr. BELL.—Yes.

The CHAIRMAN.—How would it do to leave this question for Mr. Bell to deal with?

Mr. ROSS.—There is a complete statement in the return here showing how that amount is made up.

The CHAIRMAN.—Is it lengthy?

Mr. ROSS.—Yes, it covers several pages, but there is a summary of it.

The CHAIRMAN.—Could either or both of you give us the chief items of it?

Mr. ROSS.—The chief items of it in the summary are, 'Amount to M. P. Davis, as cash, 23rd February, 1904, cash account, \$396,878.46,' and then there are the details of that cash account showing what makes it up, and then, 'Bonds with interest to 23rd February, 1904, \$501,386.27.'

By Mr. Monk:

Q. Which were old bonds?

Mr. ROSS.—Yes, and accrued interest.

The CHAIRMAN.—Those two, I think, explain the whole thing.

Mr. ROSS.—Making a total of \$898,264.73. Then there are the details of the statement which make up these two aggregates.

The CHAIRMAN.—I suppose that is satisfactory, isn't it?

Mr. MONK.—This statement has been produced, has it not?

Mr. ROSS.—This is in possession of the House now.

By Mr. Monk:

Q. What I want to get at, Mr. Barthe, is how that money, which I suppose became available to the company on the 23rd of February, 1904, was employed? There was \$1,400,000; how was it used?

Mr. BELL.—I think I can explain that to you.

By Mr. Barker:

Q. Who did act for the Quebec Bridge Company, Mr. Barthe, in the application of these borrowed moneys? You?—A. In the application of borrowed money from the Bank of Montreal.

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Q. Yes, who did the work in the office on behalf of the company entailing these amounts?—A. I do not understand well; who applied it? It was done by the company on the certificates of the engineers.

Q. But this is what I would like to know, Mr. Barthe: the day that the company borrowed from the Bank of Montreal the sum mentioned in the agreement of 23rd February, 1904, was that amount placed to the credit of the company in some bank? How did it come into the possession of the company?—A. It was assigned, Mr. Barker, as the work progressed. He did not get that amount all at once.

Q. Therefore you checked it up gradually, didn't you?—A. As a matter of fact I had nothing to do with that part. I was keeper of the minute book and the general work of secretary, but I had nothing to do with the financing part; the treasurer had that.

Q. Have you the account that you had with the Bank of Montreal? Have you that bank book here?—A. Oh yes, we have all those bank books.

Q. Were operations carried on with the Bank of Montreal in Quebec?—A. Yes.

Q. Were all these payments made in Quebec?—A. Yes, I think so.

Q. Have you that bank book with you?—A. I think so.

The CHAIRMAN.—Mr. Monk, they never got that whole advance at once from the Bank of Montreal.

Mr. MONK.—Yes, I suppose they had a credit opened up to them at Quebec.

By Mr. Monk:

Q. So on reference to the bank book you produced this morning as Exhibit 4, you say that it contains the payments on the different loans apparently made from the Bank of Montreal since 23rd February, 1904? Have you the cheque books with the stubs attached which will show those payments?—A. No, they are in Quebec.

Q. Would you place before the committee the cheque books covering the payments made from the time this account was opened in Quebec in book Exhibit 4 up to the last payment?—A. Well, the treasurer can answer that.

Q. Now let me refer to another point, Mr. Barthe. When were the plans of the bridge company for the construction of this bridge completed and submitted to the government for its approval?—A. They were first submitted in '98.

Q. They were first submitted in '98?—A. Well, all that appears in the report of the Royal Commission; that is in the department of the engineer. Of course, I have kept a record, as far as the board was concerned, but to answer exactly, I would refer you to the report of the Royal Commission.

Q. Have you duplicates of these plans in your possession?—A. No, sir.

Q. Or in the company's possession?—A. The chief engineer may answer that, I could not say, I never had the custody of them.

Q. Are you in a position to say whether the plans of the superstructure were passed upon by the government and formally approved by the government?—A. I could not answer that just now.

Q. Have you in the archives or in the records of the company any correspondence regarding the approval of the plans by the government?—A. I think, so, and that we have the letter from Mr. Collingwood Schreiber saying that the plans and specifications had been approved at that time. Of course I was not prepared to answer that particular matter.

Q. Will you produce such correspondence as you had with the government in regard to the approval of the plans?—A. Yes, it is already produced before the Royal Commission, I know.

Q. Were you a witness before the Royal Commission.

The CHAIRMAN.—That is here, Mr. Monk, you need not bother about that.

By Mr. Monk:

Q. Who represented the company as legal adviser in regard to the matter of the bond issue?—A. Mr. Taschereau was the legal adviser of the company. He had

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charge of all legal matters. As to that particular point, I know that Messrs. Gormully & Orde were also consulted, as they lived in Ottawa; I know that they did a great deal of work in that.

Q. Did they act for the company?—A. Yes, I know we paid them.

Q. Would you be able to say, would it be in the volumes of the treasurer to give us a statement of the legal expenses incurred by the company from the 30th June, 1903, to the 30th June, 1904?—A. The treasurer would be able to give you that.

Q. The treasurer will be better able to do so than you?—A. Yes, sir.

The CHAIRMAN.—I would like to get in evidence a resolution by the shareholders authorizing the payment of \$15,000 to the directors before 1903, we had it the other day.

Mr. BARKER.—I think they were all put on record this morning in Exhibit No. 17.

By Mr. Monk:

Q. Where is the company's engineer now, is he in Quebec?—A. He is in Quebec.

Q. Has the Bridge Company done anything in view of these instructions since the accident happened to the bridge?—A. There was something in the minutes, yes.

Q. I mean, has any work of any kind been done?—A. Oh, no.

Q. No plans have been sought or new specifications made or anything of that kind?—A. No.

By Mr. Barker:

Q. Have you the contract between the Quebec Bridge Company and the constructing bridge company?—A. Which one of the companies? For the superstructure?

Q. For the bridge?—A. For the superstructure do you mean, with the Phoenix Bridge Company. The original is in the hands of the Royal Commission.

Q. Have you a copy of it?—A. No, I have not.

The CHAIRMAN.—It is on file.

Mr. BARKER.—Perhaps that had better go in as an exhibit at this stage.

The CHAIRMAN.—The contract between the Quebec Bridge Company and the Phoenix Bridge Company for the superstructure of the Quebec Bridge is Exhibit No. 20.

By Mr. Barker:

Q. Are you aware who negotiated the contract with the constructing company, the Phoenix Bridge Company?—A. The board of directors generally.

Q. That is vague you know, the board of directors generally do not make the contract.—A. Well, the president, of course the president and the directors.

Q. Who as a fact, to your knowledge, did actually do the actual work of entering into that contract?—A. Do you mean the supervision of the execution of the contract?

Q. Making the bargain, getting the tenders?—A. All that appears in the report of the Royal Commission.

Q. I would like to get it from you, shortly, as secretary, if you do not know, say so. Do you know who it was who undertook the negotiation for the contract for the construction of the superstructure on the part of your company?—A. Of course the president and the secretary were instructed to execute it.

Q. But you did not execute the contract until it was made?—A. As for the negotiation I could not give you exactly the facts as to that.

Q. You do not know?—A. Well, I cannot say, I do not know altogether, I would not—

Q. Tell me what you do know as to the persons, whoever they were, who undertook the negotiation for the making of that contract; what were the negotiations?

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—A. It appears from the correspondence which has been, I think, produced before the Royal Commission that there were lots of letters exchanged between the two companies; the whole story of the negotiations is on the file.

Q. Showing who took it up. Of course I do not know that we ought to take for granted that everything is there. I would like to know it from you?—A. You may be sure I do not know anything else.

Q. Do you mean to tell me, as secretary of this company, you have no knowledge of the president or the directors, or whoever the people were, who conducted the actual negotiations in this bargain with the Phoenix Bridge Company?—A. I know that the president and some of the directors went over to the States to see the Phoenix Bridge Company people.

Q. Who did that?—A. Well, I tell you, the president and some of the directors.

Q. You say 'some of the directors.' Give me the names.—A. Mr. Price was one of them, I know, and Mr. Audette, I think. I do not remember exactly, but there are the minutes, and I think they will show who exactly went over.

Q. You will prepare yourself and be able to turn to the minutes and give to the committee specifically the names of those directors who conducted the negotiations, I want to see just how this thing was done; it is quite possible that the Royal Commission may have done it, but I do not know that we can take it for granted at present.—A. All that appears clearly from the correspondence.

Q. From the correspondence that you have produced?—A. Yes, all that was produced. We produced before the Royal Commission not only the correspondence, but copies of the minutes and everything connected with it.

Q. Was there any resolution passed by the board deputing the president and secretary or other gentleman with authority to make that bargain?—A. I remember that in some cases the president and directors were delegated to go to Phoenixville.

Q. There are resolutions, are there, to that effect?—A. Yes, they were authorized.

Q. By resolution?—A. By resolution.

Q. Then you will be able to turn to that?—A. I will make a memo.

Q. You want to get that. Did the Bridge Company's officials come to Quebec to your knowledge?—A. The Phoenix Bridge Company people?

Q. Yes?—A. Yes.

Q. With whom did they negotiate?—A. All that appears in the correspondence, you know—the visit of the Phoenix Bridge Company people to Quebec.

Q. Do not misunderstand me. I am speaking now entirely of the negotiations before the contract was made?—A. I mean before the contract was made.

Q. And these gentlemen did come at that time and had interviews with the company?—A. Yes, it appears in the minutes.

Q. It does?—A. Yes.

By Mr. Monk:

Q. Were there other tenders, Mr. Barthe, received for the preparation of the plans or the construction of the superstructure?—A. Yes, certainly.

Q. They were called for?—A. Oh, yes.

Q. How were they called for?—A. Well, in September, 1899, I think, if I remember well, I was authorized to issue—to call for tenders.

Q. Yes?—A. For the preparation of plans and the construction of the bridge.

Q. How did you carry out those instructions? I mean to say from whom did you invite tenders for those two objects?—A. We advertised in lots of papers in Canada and in the States, and everything was well—

Q. Have you a copy of that advertisement or notice you mentioned?—A. The only sample copy that I have kept, you know, has been deposited before the Royal Commissioners.

Q. And is with their report?—A. Yes.

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Q. Well, did you get answers?—A. Oh, yes. We had lots of correspondence on that.

Q. Could you show us the answers you got for the call for tenders and for plans?—A. I have a bundle here that I brought with me, correspondence in connection with that.

Q. I notice that you had in 1898 a number of answers to your advertisement for tenders. Will you file these answers that are contained in the bunch of documents which you have produced?—A. Yes (produces documents). Of course, this is only part of it, because the correspondence that led to getting bids, you know, from big companies, was more with the engineer. He may have more; I don't know. I kept only——

Q. I see that in many of these answers to your advertisement for tenders reference is made to, and the company is asked to send, specifications in detail. Have you any copies of those?—A. The only copies that we had left—I distributed all that I could get printed at the time. At last we had to get a new printing even on one occasion, but the only copy I had I filed with the Royal Commissioners. There is one copy attached to the Subsidy Act with the federal government and that is in the Royal Commissioner's report.

Q. How many replies did you receive to your invitation for tenders and does the file produced contain all your replies?—A. Well, we had—you mean bidders?

By the Chairman:

Q. No, just as inquiries?—A. I could not say how many.

Q. Forty or fifty?—A. From big contracting companies we received several; I could not say the number of them.

By Mr. Monk:

Q. I would like to know, Mr. Barthe, if you received separately tenders for plans and tenders for construction?—A. No, the whole.

Q. You had first to settle upon the plan and then find out who would carry it out?—A. Have you read the advertisement?—We called for competitive plans.

Q. There was not one specification upon which they all tendered? Each company submitted their own plans along with the prices?—A. That is more a matter of engineering.

By the Chairman:

Q. Did you have charge of that?—A. Just as the secretary of the company. I had to follow instructions, I had nothing to do with it.

Q. You would hand the replies over to the engineer?—A. Yes.

By Mr. Monk:

Q. Do I understand that the company, or contractors submitted a plan and the cost at which they would carry it out, or did you get plans from engineers and an estimate of the probable cost of construction? That is what I would like to find out because I do not know?—A. Every one of the bidders sent their plans and tenders at the same time.

Q. I understand. Did you then proceed to decide whose plans would be adopted and who would carry it out? You say you had tenders on different plans, that different people tendered. How did you arrive at the conclusion that you would give the execution of the plans to the Phoenix Bridge Company?—A. The tenders were open and the date fixed—I think it was the 1st March, 1899, and then it was decided to submit the tenders to Mr. Cooper——

Q. I see?—A. To report on the same.

Q. Well, then, Mr. Cooper was chosen by the company as the man who would, so to speak, arbitrate upon these different principles of construction?—A. Yes, he

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was appointed for the special purpose of examining and studying the different plans and making a report on the same.

Mr. BARKER.—I think we ought to have on record a copy of this advertisement calling for tenders, it is very short. I will read it (reads):

BRIDGE.

OFFICE OF THE QUEBEC BRIDGE COMPANY (LIMITED).

QUEBEC, September 24, 1898.

‘Sealed proposals for the construction of a combined railway and highway bridge across the River St. Lawrence, near Quebec, will be received by the undersigned until noon, Monday, January 2nd, 1899.

Forms of tender with circular of conditions, specifications, &c., can be had on application to the undersigned.

The company does not bind itself to accept the lowest or any tender.’

By the Chairman:

Q. Who had charge of this, your engineer?—A. Our engineer.

By Mr. Barker:

Q. Is that Mr. Hoare?—A. Yes.

By the Chairman:

Q. Is he in Quebec now?—A. Yes.

Mr. GALLIHER.—In answer to the question of how the Phoenix Bridge Company's tender came to be accepted, that is set out in appendix 3 of the report of the commission.

The CHAIRMAN.—Perhaps we had better have matters go consecutively. There is a resolution of the directors appointing Mr. Cooper consulting engineer.

Mr. BARKER.—It was preceded by the appointment of Mr. Hoare as the engineer of the company.

Mr. GALLIHER.—In this appendix there is a direct answer to the question referred to which can be identified and placed in the record here.

By the Chairman:

Q. Who is your engineer, Mr. Barthe?—A. Mr. E. A. Hoare.

Q. Was there a consulting engineer?—A. Yes.

Q. Who was he?—A. Mr. Theodore Cooper of New York.

Q. By whom was he appointed?—A. He was appointed by the company.

Q. By the directors of the company?—A. By the directors of the company.

Q. On what date?—A. He was appointed by the board's resolution of 23rd March, 1899.

Q. Do you know if Mr. Hoare and Mr. Cooper gave evidence before the Royal Commission?—A. Yes.

Mr. GALLIHER.—The list of tenderers for which Mr. Monk has asked will be found in the evidence already taken before the Royal Commission.

Mr. BARKER.—I think the convenient course, to avoid going over these matters over and over again, would be to call Mr. Hoare before this committee, place before him the evidence given by him, and ask him whether it is correct.

By Mr. Monk:

Q. How many plans and tenders had you to choose from?—A. I will tell you in a moment (after referring to volume 2 of the minutes of the board of directors of the Quebec Bridge Company) It was on the 4th March, 1899, at a board meeting (reads):

‘The following sealed tenders received by the secretary were handed to the president as follows: From the Union Bridge Company, New York and Key Stone Bridge

Works, William Davis & Son, and Dominion Bridge Co., Ltd., and the Phoenix Bridge Co., Phoenixville, Pa., together with their respective rolls of plans and designs.

'It was unanimously resolved to open the above bids and after having taken knowledge of same the directors left them in the secretary's custody to be handed to the engineers to be appointed for analysing them.'

There is another part here (reads):

'Letters were read from following parties in reference to the reception of tenders: Toledo Bridge Co., Toledo, O., 23rd February, 1899; Pittsburg Bridge Co., Chicago, Ill., 24th February, 1899; Telegram from Pennsylvania Steel Co., 25th February, 1899; Telegram from Phoenix Bridge Co., 27th February, 1899; and letters from Union Bridge Co., addressed to the president, the secretary and the engineer of this company.

'The secretary was instructed to answer the Pennsylvania Steel Co. that the one month extension of time asked for could not be granted.'

There was another inquiry here (reads):

'Letter read from Chs. E. Hewitt, treasurer New Jersey Steel and Iron Co., dated 27th February, 1899, accompanied with one roll of plans.

'The secretary was instructed to answer that the directors regretted that the New Jersey Steel and Iron Co. should not have found their way to be ready in time and that it was impossible to comply with their request on account of objections which have been raised from among the other bidders to any further extension of time. The secretary was also instructed to return the plans to the same parties.

'A letter was read from Theodore Cooper, consulting engineer, New York, dated 25th February, 1899, accepting the charge of expert engineer to analyse tenders.

'Moved by G. LeMoine, seconded by H. M. Price and resolved.

'That the cantilever tenders received from the Dominion Bridge Co., the Key Stone Bridge Works, and the Phoenix Bridge Co., and the tender received from the Union Bridge Co., for a rigid bridge structure be submitted to the expert engineer in charge of the analysis, and that the president be authorized to arrange with Mr. Theodore Cooper, consulting engineer of New York, for the analysis on above four tenders and for a report on same.'

That was what was done at that meeting.

By Mr. Chisholm (Antigonish):

Q. What time were tenders called?—A. They had been called in September, '98. At first they were called for 2nd January, but on the 2nd of January, or before that, we got correspondence with some of the intending tenderers who asked more time, so the board extended the time to the 1st March, or the 4th March—the beginning of March. At that time while there were two companies were not then in time, we could not extend the time any more.

By Mr. Monk:

Q. Have you the report of Mr. Cooper on that?—A. Yes, it is in the report.

By Mr. Galliher:

Q. Following out that, tenders were submitted to Mr. Cooper for analysing, and you got the report from Mr. Cooper.—A. Yes, in June.

Q. June 23rd, '99. I might read the report—

'On 23rd June, 1899, Mr. Cooper reported to the Quebec Bridge Company upon the tenders submitted (Exhibit 9) the following being an extract from his report:—

'From the facts and consideration as stated above, I find the cantilever superstructure plan of the Phoenix Bridge Company an exceedingly creditable plan from the point of view of its general proportions, outlines and its constructed features. I also find that it is designed in accordance with your specifications.

'Their tender accompanying this plan is the lowest in price and is the most favourable as to the prospective duties upon the materials to be used in its construction.'

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That is the customs duty, I take it.

'I therefore hereby conclude and report that the cantilever superstructure plan of the Phoenix Bridge Company is the "best and cheapest" plan and proposal of those submitted to me for examination and report.'

That is the superstructure, and the concluding sentence is in reference to the substructure, as follows:—

'I likewise report that the general plan and proposal for the substructure made by the engineering contract company and by Messrs. Davis & Sons are both satisfactory and at favourable terms.'

Can you answer this question—on the strength of this report from Mr. Cooper, did the Quebec Bridge Company accept the tender of the Phoenix Bridge Company for the superstructure?—A. Yes.

By Mr. Chisholm (Antigonish):

Q. What steps did they take in the way of discussing that before the meeting? Did you have this report before your meeting and discuss it before passing the resolution?—A. Yes, I was just looking for the date.

Q. You refer to \$188,721, which you say was paid with the outstanding debts out of the guarantee bonds. Do you know that this money was replaced by cash when the directors paid \$200,000?—A. It was replaced.

By Mr. Monk:

Q. How do you know that?

The CHAIRMAN.—Mr. Bell will explain that.

By Mr. Monk:

Q. How does the witness know?—A. I know that from the information I got from the book.

Q. What is the operation that took place? I understood you to say in answer to Mr. Chisholm that \$188,000 had been taken out of the product of the new bonds—it was taken out of the product of the new bonds, was it not?—A. Yes.

Q. And it was subsequently replaced by cash furnished by the subscribers to the stock, how was that done?—A. You have that amount of \$188,000; you have actual cash payments that we showed you.

By the Chairman:

Q. He does not mean where you got it, but how was the transfer made?—A. That is a question for the treasurer.

By Mr. Barker:

Q. You say you know it to be the case?—A. That is why I wanted to be interrogated in my own language; when you say 'replace' that word in French may have another sense.

Q. Paid back?—A. Well, paid back.

Q. Do you know that it was paid back so that you can swear it has been paid back? That is what you have answered Mr. Chisholm that you know.—A. I understood that money that we paid, \$188,000—I beg pardon, I would ask to be excused.

Q. Will you withdraw that expression?

By the Chairman:

Q. You say you understood it was paid back?—A. Yes.

By Mr. Barker:

Q. When did you understand it was paid back?—A. When did I understand?

Q. When was it paid back according to your understanding?

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By the Chairman:

Q. Is there anything in your books that will show the date?

By Mr. Barker:

Q. Mr. Monk asked when you understood this was paid back.

The CHAIRMAN.—There is no need asking the witness that question because Mr. Bell will answer it.

Mr. MONK.—When the witness answers categorically, we want to know on what he founded his answer.

Mr. ROSS.—If you will allow me, the witness has given the dates this morning.—A. That is what I had in mind.

Mr. MONK.—What we want to know is how the operation was done.

The CHAIRMAN.—Was there a bond account? And was there a stock account or just an open current account?—A. There was a capital stock account.

Q. When was there a transfer from stock to bond account covering that?—A. The books will show that.

By Mr. Barker:

Q. Was part of it paid in those ten cheques that you spoke of this morning?—A. Part of it.

Q. And that is what you call paying it, replacing it out of capital? You replaced out of new capital the money that you had used out of the bond, is not that what you say?—A. I would ask to be excused from answering.

The committee adjourned.

HOUSE OF COMMONS,

COMMITTEE ROOM No. 32,

WEDNESDAY, June 10, 1908.

The committee met at 3.30 o'clock p.m., the Chairman, Mr. A. K. Maclean, presiding.

Mr. G. A. BELL, of the Department of Railways and Canals, called and sworn and examined:

By Mr. Monk:

Q. There is one question I would like to ask you, and that is in reference to the cheque for \$94,600, which constitutes a part of the subscription to the stock of \$200,000 which was given by Mr. Davis. Would you explain to the committee what knowledge you have of that cheque? When it was given in the month of February, 1904, it never became available until, I think, the month of February, 1907. Would you explain how those operations were carried on through the books of the company, to the best of your knowledge?—A. The first cheque that was given by Mr. Davis was dated January 27th, 1904, and it was for \$119,900. That \$119,900 of the \$200,000 of new stock subscribed would give Mr. Davis the controlling interest. The company did not desire that, as there were a number of railway companies who wished to come in and take up a portion of the new stock. Some of them—only one railway that I know of, the Quebec Central—had not the authority, they were not empowered under their charter at the time to take stock. The Grand Trunk Railway, I understand, wished to come in, too, and that company, immediately after Mr. Davis gave this cheque, or about that time, took up \$25,000 of stock, so that reduced Mr. Davis' holdings to

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\$94,900. But the cheque remained in the possession of the Bridge Company and was not deposited by them, but I understand it could have been cashed at any moment. However, they did not cash the cheque until February, 1907. As to the first cheque, they never reduced it by \$25,000 as they should have, I presume, when the Grand Trunk Railway took up \$25,000 of it. So that when they went to cash the cheque they had Mr. Davis give them another cheque for \$94,900, and that cheque was deposited in the Bank of Montreal, and there are two retired cheques to speak for themselves—one cancelled and the other which was deposited in the bank. I might explain, in connection with the case of the Quebec Central, that they afterwards took up \$25,000 of the stock. The stock was purchased from the Hon. John Sharples. We have his cheque for fifty thousand.

EXHIBIT No. 25.

No.

QUEBEC, QUE., Jan. 27th, 1904.

To the

Bank of Montreal.

Pay to Quebec Bridge and Railway Co. or order

One hundred and nineteen thousand and nine hundred dollars.

\$119,900.

M. P. DAVIS.

EXHIBIT No. 26.

No.

QUEBEC, 21 Feb., 1907.

To the

Bank of Montreal.

Pay to Quebec Bridge and Railway Company or order

Ninety-four thousand nine hundred dollars.

\$94,900.

M. P. DAVIS.

(PAID.)

Endorsed

For deposit only to credit of

THE QUEBEC BRIDGE AND RAILWAY CO.,

J. H. PAQUET.

Q. From whom did you get these cheques which you now show the committee?

—A. From Mr. M. P. Davis. Those are his retired cheques—his property.

By Mr. Barker:

Q. I see that the first one was never accepted by any bank?—A. No, sir, I see that.

Q. The second one was?—A. The second one would be accepted in the ordinary course of business. When you went to cash the cheque the teller would have it marked good and then deposited.

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By the Chairman:

Q. At this stage you had better tell us who were the subscribers of the \$200,000?
—A. (reads):—

Hon. S. N. Parent.....	\$2,500	December 7, 1903.
H. M. Price.....	400	" 9, "
J. B. Laliberte.....	200	" " "
N. Rioux.....	400	" " "
V. Boswell.....	300	" " "
Hon. N. Garneau.....	300	" " "
R. Audette.....	400	" " "
J. Breakey.....	200	" " "
G. LeMoine.....	200	" " "
F. G. Fortier.....	100	January 3, 1904.
Hugh A. Allan.....	25,000	" 27, "
John Sharples.....	50,000	" " "
Charles M. Hays (in trust).....	25,000	February 24, "
M. P. Davis.....	94,900	" " "

I might explain that where the list ends with G. Lemoine, a total of \$5,000, the cheques are already filed with the committee as exhibits. For the remaining amounts, with the exception of \$100—which is an odd share—I have the cheques here.

By Mr. Barker:

Q. I do not know, Mr. Bell, that your statement is quite an accurate way of putting it. Mr. Davis must have had \$119,900 at one time, that is in 1907?—A. He first gave his cheque. I have read 'Charles M. Hays (in trust), \$25,000; M. P. Davis, \$94,900.' His first cheque was to cover that. Charles M. Hays gave his cheque for \$25,000 you will find there. The \$119,000 covers those two entries. I might explain, in connection with these cheques, that they are the private property of different men, and they are anxious to get them back when the committee are through with them.

By Mr. Monk:

Q. Then Mr. Davis did not, at any time, have the \$119,900 worth of shares?—A. I understand not. Subject to correction, he gave his cheque. I understand that ninety-four—

Q. The cheque he gave was for \$119,000 at that date?—A. Yes, but immediately the Grand Trunk took up the \$25,000.

By the Chairman:

Q. Did he sign the subscription list for anything at that time?—A. I don't think the subscriptions lists were signed at that time.

By Mr. Monk:

Q. Can you find any trace of the operation by which that \$119,900 worth of shares, represented by the cheques which you have produced—

The CHAIRMAN.—He has explained that already.

Mr. MONK.—You say there were transfers of stock then?

The CHAIRMAN.—No, no. He says there was a substitution after that was paid on account of stock. The Grand Trunk really took \$25,000 which reduced the \$119,900 to \$94,900 and then there was a substitution of cheques?

A. Pardon me one moment, Mr. Monk. Will you let me see the Grand Trunk cheque and those two Davis' cheques (cheques produced)? Mr. Davis' cheque for the \$119,900 was dated January 27, 1904. The Grand Trunk agreed to take stock for \$25,000, and it was entered in Mr. Hays' name. He bought it on February 24th. The cheque for \$119,000 covered both.

By the Chairman:

Q. Mr. Hays' cheque was given in 1904?—A. Yes, it was not issued until March.

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By Mr. Galliher:

Q. Here is the point which is not clear to me. The cheque for \$119,900 given by M. P. Davis to the Bridge Company is dated January 27, 1904?—A. Yes, sir.

Q. Was that then handed over into the possession of the bridge company?—A. I understand so, I am so informed.

Q. Which bears date of 21st February, 1907?—A. Yes.

Q. And what is the date of the cheque of the Grand Trunk Company for \$25,000?—A. March 15, 1904. You will see that was the reason they agreed to take it. The cheque had not been received and Mr. Davis had covered it with his cheque. The stock was issued to them February 24th.

Q. I understand what the Grand Trunk people proposed to take was really covered by the cheque of \$119,900?—A. Correct, sir.

Q. Can you explain why the \$94,900 was not given until 1907 if the Grand Trunk cheque was dated 25th February, 1904? I want to clear that point up?—A. It was still supposed, I understand, that the Quebec Central were going to purchase from Mr. Davis and that his \$94,000 would be again reduced by \$25,000. But as a matter of fact, the purchases of the Quebec Central,—part of it is in the name of the Quebec Central and part of it in the name of their general manager but really all Quebec Central—they purchased \$25,000 from the Hon. John Sharples so that \$94,900 was the holding of Mr. Davis.

Q. Whose cheque came to the Bridge Company for the Sharples \$50,000?—A. The cheque of Hon. Mr. Sharples himself. He put in two cheques of \$25,000 each. One cheque was on the Union Bank and the other on the Bank of Montreal, for \$25,000 each.

Q. Have you any trace of that in the books of the company?—A. Yes, it is in the stock book.

By the Chairman:

Q. That cheque for \$119,000 was counted by the company as a payment on account of stock but the issuance was suspended pending the securing of the entrance of the Grand Trunk and other companies as shareholders? That is the way they put it to you?—A. I might explain that the Quebec Central were very anxious to get in, and, as explained to me by their manager, they had not authority under their charter to take stock at the moment.

By Mr. Monk:

Q. What authority have you for saying, Mr. Bell, that the cheque of \$119,900 remained with the company until 1907 when it was exchanged for the cheque of \$94,900?—A. The word of the officers of the company.

Q. Is there any trace of that cheque of \$119,900 anywhere in the books of the company?

By Mr. Barker:

Q. Any trace of any kind?—A. I don't think so, except the entry showing the \$94,000 in cash book. I do not know that there is any reference unless it is in the Minute books.

The CHAIRMAN.—Mr. Paquet, do you know if there is any trace of the \$119,900 in the books of the company?

Mr. PAQUET.—I don't remember but maybe there is a trace.

The WITNESS.—I do not remember if there is any entry.

By Mr. Monk:

Q. Have you found any trace in the books of reports or certificates to the effect that this stock was issued to Mr. Davis before 1907?—A. Yes, there is something in

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connection—there is a document connected with that. For the moment I cannot remember. I remember tracing that up.

By Mr. Barker:

Q. Was there an actual issue of stock?—A. The stock may have been issued and held by the company.

..By Mr. Monk:

Q. There must have been a certificate issued to the effect that the \$200,000 had been paid up in cash?—A. I think you will find something in my report. I see here (reads): 'Quebec, 22nd February, 1907'—

Q. You are quoting from what?—A. This is attached to a stub. This is a certificate bearing the number 121 which was to be issued on the 6th July, 1904, and was pledged for advances as delivered this day to the shareholders. Signed by Ulric Barthe, secretary; J. H. Paquet, treasurer.

By Mr. Barker:

Q. What is that certificate?—A. It bears date 22nd February, 1907.

By the Chairman:

Q. It is attached to a stub. And what does the stub show, Mr. Bell?—A. The stub shows a receipt from Mr. Davis. It reads 'Received certificate No. 121 for 949 shares this 6th day of July, 1904. (Signed) M. P. Davis.'

By Mr. Monk:

Q. And attached to that stub is the note you have just mentioned that that certificate is pledged?—A. It was pledged for advances.

Mr. BARKER.—With the knowledge of the company?

Mr. MONK.—Yes, it is signed by the president and the secretary.

A. 'Ulric Barthe, secretary, J. H. Paquet, treasurer.'

Mr. BARKER.—Is that pledge by Mr. Davis?

By Mr. Monk:

Q. By whom was the pledge made of the stock?—A. I do not know who it was pledged to.

Q. Doesn't it refer to a pledge there of the stock?—A. 'And so pledged for advances', that is all it says, it does not say to whom.

Mr. BARKER.—I don't see how anybody else could pledge it.

By Mr. Monk:

Q. To whom were these 949 shares so pledged as per the certificate of July, 1904?—A. I presume to the company, I have no knowledge, though. You will have to ask one of the officials.

Q. Perhaps Mr. Barthe can tell us that—can you refer, Mr. Bell, since you have the book of the stubs of the certificates issued in your possession at the present moment, to the certificates issued to the shareholders, the list of which you have just given to the committee?—A. Yes, sir, do you wish all these small amounts or just the large ones, will that do?

Q. You might give us the larger ones.

The CHAIRMAN.—You have asked this morning for a list of the shareholders, perhaps we had better have the whole list of shareholders, as of date, made an exhibit?—A. I see the entry here of the transfer of 25,000 to the Quebec Central which I spoke of; here is the issue to the Quebec Central of 174 shares, it is receipted by J. S. Walsh, general manager; then here is the account of 50 shares to John S. Walsh, that is the manager.

Q. What is the date of that?—A. That is the transfer, they are both dated May 23, 1906.

APPENDIX No. 6

Q. They are transferred to whom?—A. From the Hon. John Sharples.

Q. Yes, but have you the certificates of stock issued to John Sharples, of \$50,000, that is the original?—A. I have Charles M. Hays (in trust), the certificate was issued on the 24th of February, 1904, for 250 shares; Hugh A. Allan, on the 27th of January, 1904, receipted by him on the 29th of January, 1904.

By Mr. Parent:

Q. How many shares?—A. 'Hugh A. Allan, 250 shares,' that is his \$25,000.

The CHAIRMAN.—After all, I do not see much relevancy in this matter.

A. I have the certificate here of 276 shares on the 14th of May, 1906, that is the balance from the shares transferred to a certain date, the remainder of which were transferred to Mr. Walsh.

By Mr. Barker:

Q. You did not find the Sharples certificate?—A. It is here in some place, but it is all mixed up, I will get it.

Q. I think the most simple way would be to bring it out in schedule form?—A. There are a great many transfers of stock in small amounts, but it can be taken out of the stock book.

By the Chairman:

Q. At the time you made the audit, do you know from your knowledge of the books, did the company owe Mr. M. P. Davis any money from 1904 down to 1907? Were they in debt to him?—A. Well, yes, that is, he was carrying on the work on the approaches and they owed him money.

By Mr. Monk:

Q. Had not the company transferred to Mr. Davis all the subsidies, both municipal, provincial and federal by notarial deed of the 5th of September, 1900?—A. Yes, but that had been cleared up. This is between the dates Mr. Maclean mentioned from 1904 to 1907. As I understood him, he asked if the company were ever indebted to Mr. Davis who, as contractor, was carrying on the work on the approaches. From time to time they were indebted to him and these debts were ultimately met.

Q. Did you know that the company had transferred all its grants to Mr. Davis by notarial deed?

Mr. GALLIHER.—That was before the Act of 1903.

A. That was before the legislation of 1903 guaranteeing the bonds.

Mr. BARKER.—There could not be any doubt that he must at times have had claims against the company.

By Mr. Monk:

Q. Can you give us the exact date of the handing over of the government guarantee for \$6,000,000 odd to the Trust Company or the Quebec Bridge Company, whichever it was?—A. No, sir, you will have to ask the Finance Department that question.

Q. Do the company's books give any information on that point?—A. The Minute book may, I have no knowledge of it from the books of account.

Q. I find in the report that you made as accountant of the Department of Railways and Canals, that you refer to a detailed statement of the employment of the sum of \$800,000 odd, that was paid to Mr. Davis at the time those bonds became available?—A. Yes, sir.

Q. Can you refer to that detailed statement?—A. Before I answer that, sir, I have the certificate of the 500 shares of the Hon. John Sharples, it was the 27th of January, 1904; that was cancelled and taken up by giving him the balance when he transferred his stock to the Quebec Central Railway and their representatives. I have the statement before me, Mr. Monk, that you refer to.

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Q. At that time, what was the amount that Mr. Davis received from the company?—A. At what time, sir?

Q. At the time this \$800,000 odd became available?—A. At the time it was paid to him?

Q. Yes, what was the exact amount and what was the date?—A. \$898,264.73 paid in February, 1904.

Q. And it is indicated in that detailed statement what these sums were for?—A. Yes, sir.

Q. Will you give the items?—A. Interim bonds, \$472,000—

By the Chairman :

Q. Explain as you go along, Mr. Bell. That is to retire the interim bonds, is it not?—A. That is the amount to retire the total issue of the interim bonds which had been issued by the Bridge Company; the Bridge Company's own bonds issued by them, handed over to Mr. Davis at 60 per cent, in payment of the work he did for the company.

By Mr. Barker:

Q. Does that purport to pay him in full?—A. What is the par value, \$472,000. Interest on these interim bonds to 23rd February, 1904, \$29,386.27, and there is the balance due Mr. Davis on his contract and some exchange of notes amounting to \$396,878.46, which makes up the total amount.

By the Chairman:

Q. Then do I understand that these bonds Mr. Davis took at 60 were liquidated at par?—A. Were liquidated at par.

By Mr. Barker:

Q. That is taken up by the company at par?—A. Taken up by the company at par, that was provided for in the Act of 1903.

By the Chairman:

Q. And this \$200,000 of new stock required under the Act of 1903, was intended to recoup the company for the 40 per cent?—A. The intention of that \$200,000 or at least a portion of it, \$188,000, was to reduce this claim of Mr. Davis' by that amount, the company were to meet that amount themselves, but the balance as set out in the Act was to be met from the funds available from the guaranteed bonds. I am taking it from the Act.

By Mr. Barker:

Q. I take it that the object of the legislation and of parliament was to make this company restore the \$200,000 of lost capital, by selling them at *0 per cent?—A. That is another way of looking at it.

The CHAIRMAN.—I think that is right, it is a badly drafted section, but I think Mr. Barker is right.

By Mr. Monk:

Q. What is the exact amount of the discounts?—A. Of the discounts on these bonds?

Q. Yes?—A. It is stated in the Act.

Mr. BARKER.—\$188,721.

The Chairman.—Yes, that is 40 per cent of the total indebtedness at that time.

A. Yes, they realized \$283,279 at 60 per cent.

APPENDIX No. 6

By Mr. Monk:

Q. What was the date of the payments made to the contractor, Mr. Davis, by means of these bonds? When did he receive it at 60?—A. He received the cash some time in February, 1904.

Q. Yes, I mean previous to that he had claims against the company for work done and they gave him these bonds in payment at 60, can you fix the date for that?—A. I really could not give you that, because I never looked into that question, I was not interested in that.

Mr. PARENT.—The notarial deed between Mr. Davis and the company, by which Mr. Davis undertook to do the work of the Quebec Bridge Company, for which he was to take part payment in bonds, without interest, will give you that.

The CHAIRMAN.—Did he charge interest on those bonds?—A. Yes, they were regular bonds and the company had to pay interest and redeem them.

By Mr. Monk:

Q. What was the total interest on the bonds?—A. \$29,386.27.

Q. That would be interest from the time the interim bonds were issued?—A. From the date of the bonds until the 23rd of February, 1904.

Q. Can you tell us when the bonds were issued? When they are dated?—A. I cannot.

The CHAIRMAN.—I think we had better make that detailed statement an exhibit.

EXHIBIT No. 27.

QUEBEC BRIDGE AND RAILWAY COMPANY.

1902.

STATEMENT showing details of first payment of \$898,264.73 from Bond Account

May 15.—Mortgage bonds for \$472,000 issued and trust mortgage deed.
1904.

March 2.—Interim bonds redeemed. Interest thereon to the 23rd February, 1904, \$29,386.27.

DETAILS of outstanding liability paid out of Guarantee Bonds.

Interim bonds as above.....	\$ 472,000 00
Interest thereon.....	29,386 27
	<hr/>
	\$ 501,386 27
Balance due M. P. Davis, as per statement.	396,878 46
	<hr/>
	\$ 898,264 73

THE QUEBEC BRIDGE AND RAILWAY COMPANY, LIMITED

Dr.

To M. P. Davis.

Total amount of estimate No. 13, dated December 2, 1902.....	\$ 1,416,394 38
20 per cent payable in bonds.....	283,278 88
	<hr/>
80 per cent payable in cash as per contract.....	1,133,115 50
Cash received to date.....	784,861 93
	<hr/>
Amount due in cash.....	348,253 57
Interest on overdue cash payment as per statement.....	26,485 20
	<hr/>
	374,738 77
Cash paid Quebec Bridge Co., Feb. 14, 1904.....	\$ 35,000 00
	<hr/>
Amount returned for superstructure per estimate 13.....	156,640 00
Less paid thereon.....	138,546 85
	<hr/>
Balance due on superstructure.....	\$ 18,093 15
	<hr/>
	\$ 16,906 85

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Balance due M. P. Davis for work on superstructure.....		16,906 85
Extras as per statement herewith.....		1,492 68
Lighting north and south main piers from May 10 to November 30, 1903.		116 75
	\$	393,255 05
Amount payable in bonds, \$283,878.88 at 60 per cent.....	\$	472,131 46
Bonds received.....		472,000 00
		<hr/>
Balance due on bonds.....		131 46
Amount due as cash, January 1, 1904.....	\$	393,386 51
Interest from January 1, 1904, to February 23, 1904, 54 days at 6 per cent.....		3,491 95
	\$	<hr/> 396,878 46

OTTAWA, 20th February, 1904.

Certified correct,

(Sgd.) ARCH. R. FRASER.

(Sgd.) E. A. HOARE,
Chief Engineer.

'Amount due by the Quebec Bridge Company, for work performed for their account during the years 1901 and 1902, as per account rendered.'

20 per cent for superintending work done on north abutment, authorized by resolution of Board of Directors, June 30, 20 per cent on \$3,058.39.....	\$	611 68
Sundry work on south side—building towers, &c.....	\$	63 60
20 per cent for superintending.....		12 72
		<hr/> 76 32
Cutting checks at north abutment, per statement.....	\$	527 52
Cutting checks at south abutment, per statement.....		260 94
Cutting checks at abutment, additional.....		16 20
		<hr/> 804 66
	\$	<hr/> 1,492 68

'Ottawa,

'M. P. DAVIS.

'Certified correct,

'ARCH. R. FRASER.'

'QUEBEC BRIDGE COMPANY, LIMITED.

Dr.

'To M. P. DAVIS.

To lighting north and south main piers of the Quebec bridge from May 10, 1903, to November 30, 1903, as instructed by Mr. A. E. Hoare, C.E.

\$ 116 75

'Ottawa, Ont., 3rd February, 1904.

'Certified correct,

'ARCH. R. FRASER.

(Sgd.) E. A. HOARE,
'Chief Engineer.'

DR.

The CHAIRMAN.—I see from the document Mr. Parent has handed me that it was on the 6th of May, 1902, the company, by resolution, decided to issue these first mortgage

bonds in payment of part of the construction of the said superstructure in accordance with the terms of the agreement entered into between Mr. Davis and the company. You say that agreement provided that the bonds were to be taken at 60, that provision is not here.

Mr. PARENT.—Look in the main contract, it is in the main contract.

By Mr. Monk:

Q. Mr. Bell, while that matter is being looked into; in your report you refer to the standing of the company on May 31, 1907, giving the details of receipts and expenditures, the receipts amounting to \$5,464,178.80 and the expenditure to \$5,356,236.38, leaving a balance of cash on hand of \$107,942.42. In your details of receipts there is an item called 'Balance from notes outstanding, '\$121,312.84.' What were those notes outstanding which figured among the receipts to such a large amount?—A. Probably if I explain the financing you will understand that. When, in 1904, this debt of Davis was wiped out, with the exception of the \$200,000 received for the stock, the company had no cash on hand. There was just that \$200,000, and the only cash they had was from the guaranteed bonds. Now, the Railway Department, under the Act—the Chief Engineer has to arrange for the payment of progress estimates monthly, the payment of amounts due the company—all amounts earned by the company. Now, naturally during that month there was a certain amount of financing. For instance, you take the amount due on the estimate for July, they might not receive it until September and they were forced to borrow some money from the banks, make a temporary loan, and as the money was received—these were all short notes, demand notes I think they were called—as the money was received on bond account these notes were promptly taken up. That amount of \$121,000, at the date of my audit, was the amount that was owing on these short notes. If this amount of balance due on June 11, 1907, had been paid the company—if the bridge had not collapsed and that had been paid the company, they would have taken that and met the liabilities that are set out in this statement, as on the 1st of June, and they would have been clear of debt.

Q. But this balance from notes outstanding is mentioned as receipts?

Mr. GALLIHER.—I fancy that is profits from discount of notes outstanding.

A. Profits from discounted notes, temporary loans. Some of them were represented by cash on hand and some had been expended. There may have been \$50,000 of that cash on hand. I could not tell you at the moment without looking up all the notes.

By Mr. Monk:

Q. These were borrowings of the company?—A. Their personal borrowing from the bank, just the financing of the company. The notes were always promptly met upon the receipt of money from bond account, money earned from bond account.

Q. Will you explain what is meant by the item, 'Amount due by M. P. Davis, \$65,000'?—A. Yes. In the Act of 1903 it is set out, 'Whereas the government of the province of Quebec has granted a subsidy to aid in the construction of the said work to the amount of \$250,000 and obtained the full amount thereof. As a matter of fact, that subsidy of \$250,000 had been granted but had not been paid up in full at the time. It was payable in annual instalments of \$30,000, and the company, having transferred the amount to Mr. Davis, evidently took it as a cash receipt. But when this transaction was completed with Mr. Davis and Mr. Davis was paid in full, he transferred back the balance of the subsidy due.

By Mr. Barker:

Q. That was an additional asset, was it then?—A. Yes. He transferred back the balance of the subsidy due, but between the date he was paid and the date he transferred back, a payment of \$30,000 became due, and was paid by him.

APPENDIX No. 6

By Mr. Monk:

Q. Paid to him, you mean?—A. Yes, I mean paid to him, a sum of \$30,000, and in the account, the detailed account of Mr. Davis which I have just referred to, there was included the amount of a note for \$35,000. Previous to 1904 Mr. Davis was really the one debtor of the company. There had been a good deal of financial assistance one way and another from him, and the company had drawn on him for \$35,000, and he included that in his account, but the company afterwards met the draft themselves. Mr. Davis had been overpaid by \$35,000, and that made the total due by him of \$65,000. That was met by the company by debiting it to his account as an advance on account of drawback.

Q. That \$35,000 out of the \$65,000 was, if I understood you right, a draft by the company upon Davis?—A. Yes, which he had accepted.

By Mr. Barker:

Q. For their accommodation?—A. For their accommodation.

By Mr. Galliker:

Q. A personal advance by Davis to the company?—A. Yes.

By the Chairman:

Q. Which they subsequently paid?—A. Which they subsequently paid themselves.

By Mr. Monk:

Q. Have you that draft? You must have seen it when you made that audit?—A. I saw the entry in the books at the time I made the audit, but I have not the draft.

Q. I wonder if Mr. Barthe has the draft for \$35,000 by the company upon Mr. Davis and accepted by him and then retired by the company.

The CHAIRMAN.—Mr. Bell says the company retired it. That is good enough evidence surely.

The WITNESS.—Mr. Davis in his account debits the \$35,000 and afterwards acknowledges it is an error; that the company having accepted the draft themselves he is indebted to them for that amount and \$35,000 is taken, practically out of Mr. Davis' pocket to recoup the company.

By the Chairman:

Q. That is in your report at page 572?—A. That is in my report?

By Mr. Monk:

Q. At that time was that draft drawn by the company? Was it a two months' draft or what was it?—A. I really do not know, I really could not tell you.

By Mr. Barker:

Q. Can you not give us the date or say whether it was about the time of the passage of this Act?—A. It must have been before the date of Mr. Davis' account.

By Mr. Monk:

Q. It must be easy to trace it up in the books of the company, it seems to me, Mr. Bell.

By the Chairman:

Q. In your report you say (reads): 'On June 30, 1906, the amount of \$65,000, viz., \$30,000 from subsidy and \$35,000 overpaid on account of draft, due by Mr. Davis to the company'?—A. That is the part I mentioned. It really makes no difference. Mr. Davis had been overpaid \$35,000 and that is the only explanation how the error

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came to be made. It is an error. Mr. Davis had been overpaid and he acknowledged it and he paid it back in the manner I speak of.

By Mr. Galliher:

Q. Should not the expression be 'debited' instead of 'credited' to his account?

—A. The term should be debited. I have noticed that since the report was made. It should have been debited.

By Mr. Monk:

Q. Did you at any time see that draft?—A. I may have, Mr. Monk. I saw a great many drafts; I could not keep them all in my head. As I say there were a good many drafts between Mr. Davis and the bridge company one way and the other in the way of accommodation.

Q. I see that in the file produced by your department, and it is now before the committee, there is evidence of an arrangement made under an order in council of 27th January, 1904, in regard to the payment of customs duty on material?—A. Yes, sir, I made that arrangement myself. I might explain that. In the case of the greater part of these notes outstanding, these temporary notes, the money was borrowed from the Bank of Montreal to meet customs duties. They had to meet at that time the customs duties as they became due. There was probably, I imagine, \$50,000 a month to be met, and to curtail these notes as much as possible I made that suggestion that we should make an arrangement with the Customs Department to keep an open account of what entries came in in bond, and after we repaid the company out of bonds for the amount due—customs, of course, to be included—the cheque would be immediately handed over to the customs. It was only a matter of waiting for their cheque. We had the money in our hands and it was perfectly safe. It was a matter between the departments.

Q. There was a question I notice in the report of the minister, and the order in council, I think, of some \$400,000 due the Customs Department?—A. \$400,000? You will find there never was due to the Customs Department any amount of \$400,000. There could not possibly be because on the 31st May, 1907 every cent had been paid the customs that was due and the only time that this account was started was after this arrangement which has been spoken of. The bridge collapsed within two months of that. I do not think it was until 1st July that the arrangement was made. This report is dated 26th June and you could not have \$400,000 of customs duty in two months. I think it is about \$100,000.

Q. At the present moment do you know if there is money coming to the Customs Department on any of the materials in question?—A. Yes, sir, customs duties are owing on all the material that came in after I made that arrangement. The Bridge Company received nothing from bond account after that date.

Q. It would represent some \$100,000?—A. I think about \$100,000. I can give you the exact amount. I think it is on the file here some place.

By the Chairman.:

Q. It is in bond you say now?—A. They allowed the entries in bond.

By Mr. Monk:

Q. The entry is in bond but the material is in the river?—A. Oh, no, not a bit of material is in the river.

Q. Where is the material?—A. It is piled just outside of Quebec, at Bellair station. There were immense quantities of material.

Q. While you are at it can you give us the amount of customs duties?—A. I find here (referring to statement) on the 31st August there was \$110,187.17. That brings the statement up to within a few days after the bridge collapsing. There were a few cars in transit at that time which will add to this amount, I do not know the exact sum.

APPENDIX No. 6

Q. That is a statement up to August last?—A. Yes, three days after the bridge fell \$110,187.17 is the amount that was due the customs. I can give you the details of that. July was \$69,115.47; August, \$41,071.70. That bears out my statement about \$50,000 a month during the working season.

By Mr. Galliher:

Q. In regard to the cars that were in transit at the time, you say there is duty due the customs yet on that material?—A. Yes, in addition to the amount I have just stated.

Q. In addition to that? Well, now if that material is still in bond the customs have not released it?—A. I presume it is. I am not an official of the customs.

Q. I did not know whether you knew or not?—A. No, I presume it is.

By the Chairman:

Q. What is the average duty on that material, do you know?—A. I could not tell you that. I would have to look up the detailed entry.

By Mr. Barker:

Q. There is \$110,000 owing?—A. Owing? The customs dues, appraisements, and fees up to the 31st May, 1907 amount to \$483,339.92. That is from the date of the legislation covered by 1903. That amount has come out of the guaranteed bonds, \$483,338.92. That includes customs duties, appraisements, and fees.

By Mr. Monk:

Q. That has been paid out?—A. It has been paid in cash for customs appraisements and fees.

Q. Who is Mr. E. V. Johnson who purports to have acted as inspector?—A. He is inspecting engineer of the Department of Railways and Canals.

Q. Do you know anything about the approving of the plans by the government?—A. I do not, sir. I have no knowledge that would be of any benefit. That comes under the engineering department.

Q. You have no knowledge of that?—A. I might give you something that would be entirely wrong. It is the engineering department entirely.

Q. Who is the proper officer?—A. To give you an opinion? Mr. M. J. Butler, Deputy Minister and Chief Engineer.

Q. But was not Mr. Collingwood Schreiber acting at that time?—A. At that time, Mr. Collingwood Schreiber.

Q. Is he in Ottawa?—A. I believe he is. He was this morning.

Q. Does he occupy any government position now?—A. He is consulting engineer to the Dominion government and Chief Engineer for the western division of the Transcontinental Railway.

Q. Does he receive a regular salary in connection with these offices?—A. Yes, he receives the salary of \$6,000 per annum.

Q. You know nothing personally about the suggestion made of the employment of an expert to examine the plans?—A. No, sir.

By the Chairman:

Q. Do you happen to know at the time that the sum of \$5,000 was paid to the directors for remuneration and which was indirectly transferred into the purchase of stock whether the company had any money to their credit?—A. It had, sir, always money to meet its cheques.

Q. They might have issued a cheque for these services and it could have been cashed upon current account?—A. The cheques would have been honoured.

Q. It would have been just the same?—A. Yes, sir.

Mr. BARKER.—I suppose somebody would have had to go without though?

By Mr. Monk:

Q. Were you not asked to produce some statement with regard to the amount that was voted to the directors?—A. You have that statement here, sir.

Q. Have we got it now?—A. The details of that \$20,000 are on the file.

Q. The \$20,000 which was all converted into stock?—A. You have got the full details on your file, sir.

Q. In your own individual files?—A. In your own files.

Q. I would like to know what amount the directors have received in cash, that has not been converted into stock, for their services?—A. Yes, that can be got, but I will have to pick those amounts out. I will have to go over the cash book and pick them out. I expect that returns made to the Senate will show that. We will get those and bring them down here and file them.

Q. Will you do that?—A. Yes, sir.

Q. You mean to take that information from the answers given in the Senate?—A. I will look at the answers given in the Senate and see. I understand the Senate got the whole amount paid to the directors. To get at the question asked you would have to subtract \$20,000 from it. Do you wish the details?

Q. I would like to verify it by the books?—A. Very well; I will get it from the books. It was just to save you a good deal of detail, but I will get that information for you.

Q. Down to date?—A. Right down to date.

By the Chairman:

Q. I want to ask you if the proceeds of that \$200,000 of new stock, required under the Act of 1903, was used for the purposes of the company?—A. For the purposes?

Q. Of the company?—A. Of the company? Certainly, sir. I might answer that in another way by saying I passed every account and approved of it and it was approved by the then Chief Engineer, Mr. Butler, as being correct accounts for which this money was used.

By Mr. Monk:

Q. Do I understand you to say that the proceeds of the \$200,000 of the new stock was used for the purposes of the company? Is that what you say?—A. Yes, sir.

Q. But they were not used for the purposes of fulfilling the agreement which required that the money should be used to pay off the discount on the interim bonds?—A. The Act, as I stated in my report, was not strictly complied with in that respect.

Q. You stated that in your report?—A. I stated that in my report; the Act was not strictly complied with.

Q. It was not complied with at all?—A. In that respect it was not complied with at all.

Q. There is no limit. You say, 'strictly complied with'?—A. I mean speaking of the whole Act. It is admitted that particular part was not complied with, but the \$200,000 was subsequently used and paid out, and if that had not been there the \$200,000 would have been taken out of bond account for the same purpose; so that one replaced the other. The net result in the end is the same. That is, if the Act had been strictly complied with the company would have been in exactly the same position to-day.

Q. It is a question of what would have happened. Would the bonds, in your opinion, have been issued if the government had known that one-half of that \$200,000 had not been paid up when they issued the bonds?—A. You will have to ask the Finance Department that. I had no control.

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By Mr. Barker :

Q. As an accountant let me ask you this : supposing Mr. Davis had paid his \$94,000 in cash and that had been used, there would have been so much less at the moment borrowed on bonds, would there not ?—A. I hardly understand your question.

Q. The company used the \$6,800,000 guaranteed bonds to raise money for their purposes. If they had got the cash from Mr. Davis and applied it there would have been so much less necessary from the bonds at the moment ?—A. At the moment but they would have had later to take from bond account a similar amount to meet the accounts which were paid by the money secured from the stock.

By Mr. Galliher :

Q. As a matter of fact, Mr. Bell, this loan of one and a quarter millions from the Bank of Montreal to the company—A. Pardon me, sir, I think you are mistaken ; that was not a loan. That million and a quarter that you see mentioned there is simply an authority for the Bank of Montreal to advance money to the Bridge Company on bonds as these bonds are authorized to be issued on the chief engineer's progress estimates.

By Mr. Barker :

Q. A line of credit I suppose ?—A. That is really it, but the Bridge Company really never got that at all.

Q. I understand that, but it is not the point I want to make. They were authorized to obtain advances to that extent from the Bank of Montreal ?—A. Yes.

Q. And as a matter of fact they had advanced a portion of that even before the guaranteed bonds were issued ?—A. That is a question you will have to ask the Finance Department.

Q. You don't know that ?—A. No, I do not know.

By the Chairman :

Q. Following the line of Mr. Barker's question. Mr. Barker suggests that on the progress estimate No. 1 there would have been about \$200,000 less, or perhaps \$94,000 less advance, if Mr. Davis' cheque had been cashed, and there is something in that. How long afterwards did matters adjust themselves so that accounts were balanced ?—A. Sometime I imagine—it would be straightened out in my report. My report would bring that right down. I brought all the accounts into one.

By Mr. Barker :

Q. When were those bonds that Mr. Davis had bought payable ?—A. When were they payable ?

Q. Yes ?—A. I never saw the bonds.

Q. Supposing they were not due for 20 years ?—A. I really don't know. I took the Act of 1903 as far as the amounts of those bonds and the balance.

By the Chairman :

Q. They had to be realized before you could finance the matter at all ?—A. He might have held the bonds I suppose until they became due.

By Mr. Chisholm :

Q. I do not think it is very clear how that \$200,000 was paid up ?—A. By cash, absolutely cash. There was an actual cash deposit in the banks. You have the bank book and can prove the actual deposit of the whole \$200,000.

By the Chairman :

Q. The \$200,000 should have been paid up before the bonds were issued but as a matter of fact they were not. Mr. Bell explains that in his report ?—A. And the

purposes for which those \$200,000 are used. They were supposed to be used for discount, but that discount was paid out of bond account afterwards. That \$200,000 was used to pay debts thus doing that which should have been paid out of bond account. You see one balanced the other. I now produce Exhibit No. 23, a statement showing the amounts voted by shareholders to directors and the manner in which these amounts were dealt with by the directors themselves, from July 1, 1899, to June 30, 1903.

By Mr. Monk :

Q. What was the occasion of this audit which you made of the books of the company?—A. In the last session of parliament, that is the session of 1906-7, a Bill was passed authorizing the government to take over all the guaranteed bonds in connection with the Quebec Bridge Company and advance them money on them from time to time up to their par value—that is first repaying what had already been advanced on them—and the balance up to their full value, Hon. Mr. Fielding, Minister of Finance, I understand gave a promise in the House at the time this legislation was going through, that before the transaction took place he would have a complete audit made of the books.

By the Chairman :

Q. I think Mr. Monk asked that?—A. I think Mr. Foster or Mr. Monk.

By Mr. Monk :

Q. Can you turn up in the file which was placed before the committee the request, or demand, made on the 28th January, 1907, for additional aid from the government by the Bridge Company?—A. That would be in the Finance Department. What is the nature of that letter?

Q. It is a letter from the Bridge Company asking for a few millions additional. You remember the amount which was asked for by the company on or about the 28th January, 1907, in order to complete the erection?—A. I did not have any knowledge of that. Any correspondence would be either with the Minister or the Deputy Minister.

Q. Did you see in the file the resolution passed by the Board of Directors on the 28th January, asking for such additional aid?—A. It may be in the office but I have no personal knowledge of that.

Q. Who would have?—A. I presume the Deputy Minister.

By the Chairman :

Q. The Deputy Minister of Finance?—A. If it is addressed to our department I presume our Deputy Minister.

Q. How much money had been advanced to the Bridge Company up to the date of the purchase of the whole bond issue?—A. You have already got that information. I think it is somewhere about five millions.

Q. As an expert accountant if you had been sent down to Quebec by the government to look into this stock subscription of \$200,000 before the bond issue was made of the six millions, would you have certified, as regards the services of the directors paid in stock in the manner which has been shown before this committee—would you have certified this was a cash payment in accordance with the terms of the agreement?—A. That is a matter, Mr. Monk, that I don't think I should be called upon to answer. It is a matter with which I had nothing whatever to do. It is a duty which would not concern me whatever. It is a finance matter, I presume for the Finance Department, but I would not be sent down there to certify to that; it is a matter out of my province.

By Mr. Barker :

Q. You would have stated the facts?—A. I assure if I had been sent and been qualified to do that work I would have done my duty.

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Q. If you had been sent down to examine in the way Mr. Monk has stated would you have reported the simple facts?—A. I don't think it is a fair question to ask me what I might have done in a certain case.

Q. Do you mean to say you would not have called attention to the facts?—A.—When I was sent down to Quebec I did what I was called upon to do.

Q. That is not my question?—A. I know, sir.

Q. Mr. Monk's question is very plain and there is nobody finding fault with you. Supposing you had been sent down there to report for the government and you had found that a portion of that \$200,000 had been floated by the application of those allowances to directors, would you have reported that as so much cash or reported the facts?—A. Was that Mr. Monk's question?

By Mr. Monk:

Q. Yes?—A. I considered that a cash transaction. The cheques were issued by the Bridge Company, they had the funds there to meet those cheques, and if the directors choose to get together and re-deposit those cheques and buy stock it would not have been any of my affair.

Q. You would not have reported the facts as they stood?—A. I would not have especially drawn attention to that fact. As a matter of fact I did not. I went to Quebec and passed that \$5,000 but it never entered into my mind to draw attention to it especially.

By Mr. Barker:

Q. Would you have reported the \$94,000 as paid?—A. I did, sir.

Q. As paid on the \$200,000 of stock?—A. No, I beg your pardon. The cheque had not been cashed until later. I reported that.

By Mr. Monk:

Q. I do not think that is the object of the question: had you been sent down in the beginning of 1904, and before the issue of the bonds, to ascertain if the \$200,000 of stock required by the agreement had actually been paid up in cash, would you have certified as to the \$94,900, that it had actually been paid up in cash.

The CHAIRMAN.—What date?

A. That is the way I understood your question at first.

Mr. MONK.—In February, 1904, I fix the date.

Mr. BARKER.—At any time in 1904 would he have reported that \$94,900 as having been paid on the \$200,000. That is the question and you may not think it important.

The CHAIRMAN.—I think it is fair.

A. It is a question I should not be called upon to answer what I would have done in a certain case. The question should be as to what I did do. Unless the committee insists upon my answering the question I do not care to answer. If the committee insists, of course—

By Mr. Barker:

Q. That is your answer: you do not care to answer?—A. Unless the committee insists.

The CHAIRMAN.—I think it is obvious he could not.

By Mr. Monk:

Q. I believe there has been a sum of \$2,000,000 paid quite recently to redeem some of the bonds of the government in the hands of the trust company or in the hands of the Bank of Montreal?—A. Yes, sir.

Q. You must know something about the financial condition of that company at the present moment?—A. It is merely carrying out the legislation of 1907. There was nothing paid out of bond account for some months before the collapse of the bridge

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and nothing has been paid since. The only transaction that has taken place under the government guarantee is on the back of these bonds which are pledged and the government has, already, to my knowledge, redeemed \$2,000,000 worth. That will represent a little over two millions in bonds.

Q. When were the two millions bought?

The CHAIRMAN.—It is not fair to say. Redeemed is more correct. They were simply pledged as collateral?—A. 19th February, 1908.

By Mr. Monk:

Q. As I understand the position to-day, all that bond issue is in the hands of the trust company at the present moment?—A. No, sir; the two million odd dollars in bond are in the hands of the Minister of Finance—the Receiver General—to cover those two million dollars of each.

Q. With the exception of the \$2,000,000 of cash that have been paid on the 19th of February, the rest of the issue is in the hands of the trust company?—A. Of the Bank of Montreal. The trust company may hold them for the Bank of Montreal, but the remainder is all pledged to the Bank of Montreal for advances made.

Mr. Ross.—To correct Mr. Bell on the date. It was some time early in February, 1908.

By Mr. Monk:

Q. The whole of the six million and some odd thousand dollars have gone into the construction of the bridge?—A. The six millions?

Q. Yes?—A. No, sir; the money that was borrowed. When you are speaking of six millions, \$6,678,000, you speak of the par value of these bonds, that is guaranteed bonds. Now, those bonds were pledged with the Bank of Montreal for advances. The first advance was 85 for 100 of bonds, and afterwards that was reduced to 80. Now, it is practically ready cash that went into the bridge out of the money raised from these guaranteed bonds. That would be 80 per cent of \$6,678,000 in round figures.

By Mr. Barker:

Q. When the rate of loan was changed from 85 to 80 was the account adjusted down to 80 for the whole?—A. I would not be sure of that, but I think you will find that the 85 stood on what had been issued. It must have been, because they were in the possession of the Bank of Montreal.

Mr. BARKER.—The bank might have made that arrangement to reduce the rate to 80. What I wanted to know was this. At one time the loan was 85 per cent on its face and subsequently 80. When it got down to 80, did they bring the whole account down to that figure, or did part stay at 85 and part at 80? Did they remain distinct?

Mr. PARENT.—Yes.

Mr. MONK.—I understand these bonds are in the hands of the trust company.

The CHAIRMAN.—As trustee.

Mr. MONK.—For whom?

The CHAIRMAN.—For the Bank of Montreal, as collateral security for advances. You see the bonds were never sold; they were pledged as collateral for advances. If you get an advance of 80 you simply have to repay the 80 and not redeem at 100.

Mr. MONK.—I think it would be useful to have a statement of what we stand to pay.

Mr. Ross.—There was an answer given in the House a month or six weeks ago which was correct at the time.

Mr. GALLIHER.—We must have that in connection with our inquiry.

Mr. Ross.—It is a matter between the Bridge Company and the Bank of Montreal. We would not know the exact balance due at any moment.

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Mr. MONK.—Surely the government are in possession of the information of what we stand to lose.

Mr. ROSS.—It is a matter of calculation to bring it up to date. We can get that information, of course.

Mr. MONK.—Would it not be possible for you to get from the Bank of Montreal a statement of indebtedness?

Mr. ROSS.—I would not like to hand the statement in until it has been properly audited. Mr. Bell can tell approximately what it is.

The WITNESS.—It is practically subject to audit as to any clerical errors. The interest would all have to be checked.

Mr. MONK.—Or if Mr. Ross of the Finance Department will work it out and let us know what is claimed.

Mr. ROSS.—I will ascertain what they claim.

Mr. GALLIHER.—How much the government is called upon to date to pay, what the Bank of Montreal claims is due.

Mr. MONK.—Do you know, or is it mentioned in your report, what the Quebec Bridge Company owes, what its liabilities are, its floating and other debt?—A. I could not tell you that without going into it.

By Mr. Monk:

Q. Can you by examination of the books tell us what the liabilities are, outside the liabilities to the Bank of Montreal and what the assets are?—A. There might be, for instance, you may have claims, there may be claims against them and you would have to take the legal form of publicly calling for all claims against the company in order to do that.

Q. You might include only the claims that come in?—A. And the claims for damages, and the assets, they would not be in the books.

The CHAIRMAN.—The secretary of the company should give that if anyone does. Mr. Bell would not know that.

Mr. PARENT.—They owe salaries for the last month.

The CHAIRMAN.—Is that all you owe?

Mr. PARENT.—Yes.

Mr. MONK.—Is there no floating debt?

Mr. PARENT.—No, and there never has been any floating.

Mr. BARKER.—What about your liability to the Phoenix Bridge Company?

Mr. PARENT.—That is a question of law.

Mr. ROSS.—The liability might be the other way.

By Mr. Monk:

Q. Are you able by an examination of the books to give us a balance sheet, I think that is what you call it?—A. Assets and liabilities?

Q. Yes?—A. You understand what that means? I would have to give a value of the Chaudiere Bridge, and the approaches, and all the iron they have in it, and get the value of it and all that sort of thing, and then in order to get the liabilities I would have to advertize for all claims against the company.

Q. I do not ask you to do that, can you give us the liabilities as they are shown by the books?—A. I can show you all the liabilities, I can take out all the liabilities as indicated by the books, yes.

Q. That is what I would like to have, and what we must have in order to make a sufficient investigation.

The CHAIRMAN.—That is all right; that statement is to be prepared by who?

A. It will take a little time to work it out.

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By Mr. Parker:

Q. I would like to know exactly where we are in regard to full information about this company. Mr. Bell, does your statement show the original stock subscription, I do not mean the \$200,000?—A. No, sir, I had nothing whatever to do with the original stock subscription. Of course I think I have seen it.

Q. Have you shown how much in cash and how much in votes was paid on that original stock?—A. I took the figures of the Act.

Q. You haven't shown it from the books?—A. No, sir.

Q. Have you shown how much of that was refunded under the Act?—A. Refunded?

Q. Yes, to the shareholders?—A. In what way?

Q. You understand that some of the shareholders had the right to take back their money?—A. I made out no detail, anything received is mentioned as cash, received, but it is very, very small.

Mr. PARENT.—Here is a statement of the whole thing.

Mr. BARKER.—I propose to put this in as an Exhibit furnished by the treasurer of the company.

The CHAIRMAN.—All these old shareholders are wiped out.

EXHIBIT No. 28.

FIRST SHAREHOLDERS OF THE QUEBEC BRIDGE COMPANY.

Names.	Number of Shares.	Date of Payment.	Amount Paid.
			\$ cts.
Col. Rhodes.....	4 p.c. on 25	Feb. 29, 1888..	100 00
J. A. Charlebois.....	" 5	" ..	20 00
Estate Hall.....	" 10	" ..	40 00
P. P. Hall.....	" 25	" ..	100 00
H. M. Price.....	" 50	" ..	200 00
V. Chateauvert.....	" 5	" ..	20 00
G. Lemoine.....	" 20	" ..	80 00
J. I. Tarte.....	" 50	Mar. 30, 1888..	200 00
P. Landry.....	" 50	" ..	200 00
A. J. Turcotte.....	" 50	" ..	200 00
C. Duquet.....	" 25	April 3, 1888..	100 00
A. Lavigne.....	" 20	" ..	80 00
T. C. Casgrain.....	" 20	April 9, 1888..	80 00
J. B. Forsyth.....	" 20	April 17, 1888..	80 00
*H. J. Beemer.....	" 5,100	May 19, 1888..	20,400 00

* Shown in old books as paid up, but consisted in a certificate of deposit of the Banque du Peuple or which there was no money deposited, and which was never paid to the company.

Four of the above shareholders, Messrs. P. Landry, C. Duquet, A. Lavigne and T. C. Casgrain took advantage of one clause in statute of 1897, and requested reimbursement of the amount paid on their stock, and were repaid.

June 20th, 1888. W. Rhodes, H. M. Price, Colonel Forsythe, H. J. Beemer, Cyr. Duquet, J. I. Tarte, P. Landry, P. P. Hall, Gaspard LeMoine, were elected directors.

Col. Forsythe was elected president 27th August, 1888.

By Mr. Barker:

Q. Now, I want to ask next in order, is it shown upon that last exhibit how much of it was paid in actual cash and how much by vote or resolution of the shareholders?

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I think we have it in a loose sort of way, but I want it condensed so as not to have to hunt through a mass of evidence in order to get at the facts. Did you not give us the statement yesterday or the day before of the amounts paid by vote or resolution?—

A. The shareholders voted cash and the directors turned it into stock; you have that entire in the file. Of that amount \$15,000 is in the way that you speak of.

By Mr. Galliher:

Q. All other shareholders, except those mentioned there, paid their amounts in cash?—A. In cash, yes.

By Mr. Barker:

Q. This Exhibit 28 shows how much?—A. The total amount of these payments?

Q. Yes?—A. \$21,900 is the total.

Q. Well, now, Mr. Bell, have you made up a statement showing what further payments were made than those shown on that Exhibit 28?—A. A further statement of that \$65,000?

Q. That is only \$21,900?—A. No, sir, I did not make up that statement.

Q. Can that be made up?—A. I presume it can; it might be made up; I have not looked into it, but I presume you could make up the full amount of that \$65,000.

Mr. BARKER.—I wish the treasurer to complete that statement by bringing it up to the \$63,000 or \$65,000, whatever it was, showing how the increases were paid and by whom. I want the company as it was first started, with all the shareholders who subscribed, showing how much they paid, how much was refunded and who has been allowed to withdraw, right up to the time of the \$63,000 or \$65,000.

The CHAIRMAN.—I see that some people were allowed to withdraw their money.

Mr. BARKER.—That is quite according to law; it was done under the statute, there is no objection to it, only I want to get at the facts of what was done.

The CHAIRMAN.—Why don't you find out if it was legal?

Mr. BARKER.—It was legal.

The CHAIRMAN.—I see Senator Landry was a shareholder and he ran away; perhaps he didn't run away legally: why not go into that? It will be just as fair for us to find out whether Senator Landry ran away fairly and squarely, morally and legally.

Mr. TALBOT.—We want to get the document first, and we can ask then whether he did or not.

The CHAIRMAN.—All right; then we will get that statement. You will try and prepare that to-night, Mr. Paquet.

By Mr. Barker:

Q. Now, there is a further question I want to ask; there is the qualification for directors. I would like to have it shown what the qualifications of the different directors were at different times?

The CHAIRMAN.—Will you turn up, Mr. Barthe, and show the section of the by-laws which ascribes the qualifications of directors?

Mr. BARTHE.—It was \$5,000 after 1897.

The CHAIRMAN.—That is fifty shares?

Mr. BARTHE.—Yes.

Mr. BARKER.—I want to know who the directors were and what the different directors' qualifications were.

Mr. TALBOT.—There were two qualifications—\$2,000 for a time, and then it was put up to \$5,000.

Mr. BARTHE.—The government directors were not required to have qualifications.

Mr. MONK.—We want the directors since 1897 and their qualifications.

Mr. BARKER.—Then, Mr. Chairman, I want a statement of Mr. Davis' account.

Mr. BELL.—You have a statement on file here; the statement of account is here in my report; it is statement 'D' that was marked as Exhibit 28.

By Mr. Barker:

Q. Then there is the Phoenix Bridge Company's account, have you that?

Mr. BELL.—You had better take the synopsis of their estimates, which has been prepared.

Q. Is there any detailed account from them of payments made?—A. You have each one of those, you will have an estimate for each month; it will be an endless job to cover this, there are thirty-four of these detailed estimates.

Q. You have no general statement comprising the whole?—A. I have taken it and made a synopsis of these estimates, giving the date, number of the estimate, the gross amount, the drawback, the previous payments and payable and remarks, that is all shown in this schedule here; it is not marked, but it is referred to in my report as statement 'B' in the report of 26th June, 1907, at page 577.

(Statement marked as Exhibit 29.)

Mr. BARKER.—Another thing I want, that a little table be worked out showing the dates and the names and everything else that can be put in the table in reference to that \$200,000 stock transaction; it can be taken from the stock certificate book. I also want every contract with Mr. Davis, whether it relates to construction or finance, or loans, or anything of that kind.

The CHAIRMAN.—There are two here, the construction contract of the 19th June, 1900, which I will mark as Exhibit 30, and the other contract is in relation to the interim issue of bonds, dated 2nd March, 1904, which is Exhibit 31. Here is another Davis contract, dated the 20th July, 1903, which is Exhibit 32.

Mr. BARKER.—Now, I want all contracts with the Phoenix Bridge Company.

Mr. PARENT.—They are on file with the Royal Commission.

Mr. BARKER.—And I want all the plans and specifications referred to in the contract.

By the Chairman:

Q. I want to ask you a question, Mr. Bell. You are the accountant of the Department of Railways, are you not?—A. I am the assistant accountant.

Witness retired.

Mr. ULRIC BARTHE, recalled.

By Mr. Gallihier:

Q. I produce Exhibit No. 21, being a statement of shareholders present or represented by proxy at the annual general meeting of shareholders on September 3rd, 1901, also for the meeting on September 2nd, 1902, and for the meeting on October 20th, 1903?—A. Yes.

Q. I also produce Exhibit 22, showing the attendance of directors appointed by the Dominion government at board meetings of the Quebec Bridge and Railway Company from the date of their appointment, January, 1904?—A. Yes.

Q. Have these been correctly extracted by you from the books of the company?—A. Yes, by myself, and I certify they are correct.

By Mr. Talbot:

Q. In connection with this subscribed amount by Mr. H. J. Beemer, of \$20,400, in Exhibit 28, that was never paid, can you tell us why it was not paid?—A. When the company was re-organized in 1897 we found in the books that Mr. Beemer was given as having subscribed for \$510,000 of capital stock, 5,100 shares, on which he had paid 4 per cent, that is \$20,400. It was found later on that that payment had not been made, that that \$20,400 was represented by a certificate of deposit in the Banque du Peuple, for which there was no money deposited, and which had never been paid to the company. But Mr. Beemer had advanced money to the company, cash, and

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later on the matter was settled with him for a certain amount of stock for his advances in cash plus the interest.

By Mr. Barker:

Q. Was that the amount stated there?

By Mr. CHISHOLM (Antigonish):

Q. As a matter of fact he had not paid that \$20,000 at all?—A. No.

Q. And the books of the company show it was paid up?—A. Yes.

By Mr. Monk:

Q. How much stock had Mr. Beemer?—A. Mr. Beemer had subscribed; he had put his name in the old book of subscription, which I can also produce if you like, for \$500,000, for 5,000 shares, I mean in the subscription book, but in the stock ledger he was a subscriber for \$10,000, over the half million, and it was supposed at the time that it was to have a majority of the stock.

By Mr. Barker:

Q. Did you get this \$20,400 in cash?—A. Oh, no.

Q. What did you get?—A. We got—well, we got his bill certified for certain advances, he had advanced money.

Q. He had claims against you?

Mr. CHISHOLM (Antigonish).—Subsequently though.

By Mr. Barker:

Q. And you allowed him stock in settlement?—A. Yes, we gave him 35 shares.

Q. How many shares did he get in settlement?—A. 35 shares of \$100 each.

By Mr. Barker:

Q. And this \$20,400 was never paid in any shape?—A. Never.

By Mr. Chisholm (Antigonish):

Q. How long did it appear in the books?—A. From 1888 to 1897.

Q. Who were the directors at that time?—A. Well, I have given the list in that statement that was put in as Exhibit 28. The directors at that time were Colonel Rhodes, H. M. Price, Colonel Forsythe, H. J. Beemer, Cyr. Duquet, J. I. Tarte, P. Landry, P. P. Hall, Gaspard Le Moine.

Q. What year was the new company organized?—A. It was reorganized, the new board sat first in March '97.

Q. And how much cash was on hand at that time?—A. \$51.49.

Q. The 35 shares given to Mr. Beemer was for advances to the old company?—

A. Advances to the old board.

Q. The new board had nothing at all to do with that?—A. No.

Q. And he got 35 shares of your new stock?—A. Yes.

Witness retired.

Committee adjourned.

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HOUSE OF COMMONS,
Committee Room 62,
THURSDAY, June 11, 1908.

The committee met at 3 o'clock p.m., the chairman, Mr. A. K. Maclean, presiding.

Mr. BARKER.—Mr. H. T. Ross, who is here representing the Finance Department, was yesterday asked to produce a statement of the amount claimed by the Bank of Montreal. Has that statement been prepared?

Mr. ROSS.—I was asked for a statement of the amount claimed by the Bank of Montreal on guaranteed bond account. They claimed for total principal advances \$5,016,453.66. They claimed a total of interest to April 30, 1908, \$756,770.11. a total of principal advances and interest of \$5,773,223.71. Less February 9, 1908, \$2,000,000 repaid by the company under Chap. 35 of the Acts of 1907, leaving a balance claimed on Thursday, April 30, 1908, on above account of \$3,773,223.71. There are also temporary advances, interim advances, of the Bank of Montreal to the Bridge Company, exclusive of the foregoing, which up to May 31st, 1908, the bank claim, amount to, with interim interest, \$174,431.36 (*Marked as Exhibit 34.*)

By Mr. Monk:

Q. Is that a statement to the bank?—A. That is my memorandum.

By Mr. Talbot:

Q. This is part of your evidence? Have you been sworn?—A. No, I have not.

The CHAIRMAN.—It is a memorandum furnished by Mr. Ross.

Mr. ROSS.—Every word of it is incorporated in the record. It is hardly necessary to make it an exhibit.

Mr. G. A. BELL recalled and examined.

By the Chairman:

Q. Did you examine the accounts of the company beyond 1903?—A. That is back?

Q. Back?—A. No, sir.

Q. Is there any evidence before us showing the total cost of the sub-structure of the bridge that you remember?—A. Yes, the cost would be given in our file.

By Mr. Barker:

Q. It ought to be in these Davis' accounts?—A. It will be in Mr. Douglas' estimate.

Q. When you speak about substructure and superstructure, what about the approaches and landings? It covers all, that does it?—A. Substructure and superstructure would not cover it. When you speak of substructure I presume you speak of the cost of the piers themselves. You can get that exact cost. Mr. Davis' first contract I think covers the substructure.

By Mr. Chisholm:

Q. When you went down to examine the accounts of the Quebec Bridge Co., did you ascertain whether they had been audited from year to year?—A. They were

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audited every year. Their year ended 30th June. It ran from 1st July to 30th of June, and there was an audit made every year.

Q. By whom was that audit made, do you know?—A. By an outside auditor. He was not an official of the company's.

Q. And how did the balance struck by this auditor compare with yours?—A. My audit was made in an altogether different manner. I took it out in a different way. He struck off a balance sheet, I did not do so.

Q. What did you do?—A. All I did was to ascertain the cost of the work from 1903 down to the date of my audit.

Q. How did you verify it?—A. By an examination of the books and an examination of every voucher.

Q. An examination of every voucher?—A. Every voucher. I think of all the vouchers there were only four or five missing, probably for one or two dollars. In those cases I examined the cheques and made them duplicate the vouchers.

Q. How many vouchers do you suppose there would be?—A. I have no idea, hundreds of them.

Q. You went into the—A. The actual vouchers and saw they were properly certified and receipted and the entry corresponded in the cash book.

Q. You found the books all right?—A. And the cash books corresponded with the ledgers and so on.

Q. Of course, you did not examine the books previous to 1903?—A. I never saw them before.

Witness retired.

The CHAIRMAN.—Mr. Ross, is there any statement you would like to make on behalf of the Finance Department?

Mr. ROSS.—There is not any statement at present. The records of the subsequent transactions connected with the legislation of 1903 are in the returned produced to the House and which has been tabled here, I think, in a series as Exhibits a, b, and c.

The CHAIRMAN.—There is nothing with regard to which you would like to enlighten the committee?

Mr. ROSS.—Personally I have no knowledge of these matters. What knowledge I have has been gained by me from the record. Perhaps the committee ought to be acquainted with the record which has been handed in. However it is not for me to suggest that.

Mr. BARKER.—I would like if you would just state where it is to be found.

The CHAIRMAN.—It is a return to the House upon a motion of Mr. R. L. Borden.

Mr. ROSS.—I might say that the records of the Finance Department's connection with the Quebec Bridge and Railway Company are contained in the bound books, a, b and c. They are now a part of the returns of the House.

Mr. BARKER.—They had better be exhibited.

Mr. ROSS.—Very well you can mark them as exhibits.

Volumes referred to marked as Exhibits Nos. 41, 42 and 43.

Mr. BARKER.—You see there are lots of matters open to us that we may not have here.

Mr. ROSS.—If the committee wants any explanation from me I shall be glad to afford it.

Mr. BARKER.—We shall have to examine you.

Mr. ROSS.—I was under the impression I was to give evidence this afternoon. I would be glad if the committee would indicate at the earliest possible time when they would like to examine me.

Mr. BARKER.—We will give you twenty-four hours, anyway.

Mr. CHISHOLM.—What does the file produced contain in a general way?

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Mr. ROSS.—Perhaps it would not enlighten the committee very much if I explained in a general way.

Mr. CHISHOLM.—What does it refer to?

Mr. ROSS.—The first entry in it is a communication from the Deputy Minister of Railways and Canals, of date September 13, 1900, to the Secretary of the Department of Finance.

Mr. CHISHOLM.—Could you, in a general way, give us an idea what that has reference to?

Mr. ROSS.—It chiefly has reference to the matters immediately subsequent to the legislation of October, 1903.

The CHAIRMAN.—It refers to the financial aspect of the question?

Mr. ROSS.—The issue of the bonds, the guaranteeing of the bonds and payments out on bond account.

Mr. BARKER.—Everything done by the government pursuant to the Act?

Mr. ROSS.—I would not say that, because the Privy Council—

Mr. BARKER.—Are there orders of the Privy Council there, too?

Mr. ROSS.—Some of them are, and some are in the railway return.

Mr. BARKER.—Do you understand, Mr. Ross, that there are some orders in council here, relating to these matters, that are not being exhibited?

Mr. ROSS.—If the return of the Railways and Canals Department has not been exhibited, there are orders in that return not before the committee.

The CHAIRMAN.—There are lots of orders in council referring to the paying of estimates.

Mr. ROSS.—You would not refer to these merely formal orders?

Mr. BARKER.—Not routine orders.

Mr. ROSS.—Not routine orders.

Mr. BARKER.—What I mean, Mr. Chairman, is this: The department may have brought into the House of Commons or the Senate cart loads of papers; they are not before us. We have power to look at them, but what we intend to use should be exhibited here formally before this committee.

Mr. CHAIRMAN.—Who are you blaming for that?

Mr. BARKER.—I am not blaming anybody. Mr. Monk is trying to get everything in in a very general way, but I do not want to be understood as accepting something that has been produced in 1903, 1904 or 1905 before the Senate. That is no evidence before us. It is accessible, but it has not been brought before us.

Mr. BARTHE recalled.

By Mr. Monk:

Q. You are not able, from the books of the company, to say who were represented by proxy at the meeting?—A. No.

Q. Or who were personally present?—A. I could not say.

Q. I think you were asked the amount of stock possessed by each person, do you remember that?—A. I find I haven't that.

By Mr. Talbot:

Q. In connection with that subscription of Mr. Beemer's of 5,100 shares, you told us that the certificate of deposit had been handed over for the 4 per cent of that amount of shares; are you able to tell us how long that certificate of deposit was in the hands of the company before it was produced or put in the bank for realization?—A. It was in the company's safe when I took charge in March, 1897.

Q. When did you take possession of the books, when you were appointed?—A. On the 11th or 12th of March, 1897. The certificate of deposit which was given by Mr. Beemer had been in the company's possession since 1888.

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Q. From May 19, 1888?—A. I do not know that it was that date.

Q. Here it is here (indicating document)?—A. Yes, that is the date.

Q. And it was when you took charge, when the new company was organized, that certificate was handed to the bank, and you tried to realize on it?—A. Yes.

Q. And you were told?—A. That there was no money to cover that deposit.

Q. Was it covered in any way?—A. Not at all, because it never was paid.

Q. Did Mr. Beemer file any claim for any amount?—A. Yes, he had advanced small sums of money, between \$2,000 and \$3,000, from time to time.

Q. How was that settled?—A. It was settled with the directors by the company allowing him a certain amount of stock, 35 shares in full payment of his advances, and interest.

Q. And the balance was not taken?—A. The balance was not taken.

Q. But was cancelled?—A. As shown there.

Q. The balance of that stock on the list that you have here (Exhibit 28), was paid for in cash, all except Mr. Beemer's, these other documents were all paid?—A. Yes, but as I have already said, four of these amounts were returned to the shareholders. 'Four of the above shareholders—Messrs. P. Landry, C. Duquet, A. Lavigne, and T. C. Casgrain, took advantage of one clause in the statute of 1897 and requested reimbursement of the amounts paid on their stock, and they were repaid by the new company.'

Q. As a matter of fact, those four amounts had all been paid, but Mr. Beemer's had not been paid, although it had been kept in the safe of the company for ten years?—A. For over nine years.

By the Chairman:

Q. He got stock in the new company for the amount of the claim he filed?—A. Yes, stock in the new company.

By Mr. Chisholm (Antigonish):

Q. Was the stock allotted to Mr. Beemer?—A. Yes, it was allotted to him, 35 shares.

Mr. WALSH (Huntingdon)—Mr. Chisholm's question was whether the 5,100 shares were allotted to Mr. Beemer in the old company.

Mr. TALBJT.—\$510,000 in shares were purchased by Mr. Beemer, and on that 4 per cent deposit was covered by a certificate of deposit, and that certificate of deposit was held in the hands of the company for over nine years, and when they tried to realize upon it they found there was nothing there.

By the Chairman:

Q. He paid 4 per cent on the amount of the subscription, and that is what he got the certificate for?—A. He did not pay 5 per cent, there was a call of 4 per cent and he was given a certificate of deposit for that 4 per cent, but there was no money for it; but instead of that, at the time I was told by the late secretary, and it was recorded in the books, he had made small advances in cash to the company amounting to between \$2,000 and \$3,000, and in settlement of that he got 35 shares in the new company.

By Mr. Talbot:

Q. This was posterior to 1897, but up to 1897, as matter of fact, was not Mr. Beemer in possession of \$500,000 worth of shares?—A. Yes.

Q. Upon which a claim of 4 per cent had been made?—A. Yes.

Q. And for which he had been given a certificate of deposit?—A. Yes.

Q. Now, who was president at that time?—A. Colonel Rhodes, I think, the first president of the company.

Q. During that period from 1887 or 1888 to 1897?—A. Afterwards he was replaced by Colonel Forsythe.

Q. Who was president when the company was reorganized in '97?—A. Col. Forsythe was president during the years 1896 and 1897, and at the first general meeting of the shareholders in 1897, Mr. Parent was elected president. He had been elected to the board of directors on the 11th of March, 1897, and was elected president in September, 1897, at the first annual meeting of the new company.

By the Chairman:

Q. Mr. Barthe, I want to ask you in reference to the four old shareholders who were permitted under statutory authority to retire from the old company and to recover their payments into the old company?—A. Yes, sir.

Q. Who secured that legislation, who asked for it?—A. We never quite knew exactly, but I will tell you exactly the facts as I know them about it. During that session, Mr., now Sir Francois Langelier, now judge, was in charge of our Bill, and when the Bill was before the Senate he asked Senator Landry to take charge of the Bill, and we never knew how it was; but when the Bill was returned, it came back with a special clause dealing with the old shareholders prior to 1896 and providing that they had the right to get reimbursed what they had paid on their stock, the 4 per cent paid to the old company.

Q. Was that a Senate amendment?—A. It was a Senate amendment.

Q. And that company never asked for it?—A. Never asked for it.

Q. After that, was Senator Landry a friend of the company?—A. After that?

Q. Has he been a friend of the company thus far?—A. He has never been a friend of the company, he has always been antagonistic.

By Mr. Talbot:

Q. Even when he was a director?—A. I mean from what I know.

By Mr. Barker:

Q. I suppose he was turned out of the Board, was he?—A. No.

Q. Was he re-elected?—A. No, he was not re-elected. Later on, we had even to take a law suit against his paper for certain aspersions it made against the company. I mention that to show he was against the company.

Q. Now, wasn't he turned out of the Board by his colleagues?—A. I do not know about that.

By Mr. Talbot:

Q. Did he not withdraw his qualifications when he got reimbursed and got repaid the money he had put in?—A. Yes, after that general meeting.

By the Chairman:

Q. I am not sure about it, but didn't he once start a rumour that the piers of this bridge were built on silt or sawdust?

By Mr. Barker:

Q. Are you swearing to this?

The CHAIRMAN.—He is under oath.

A. Yes.

By Mr. Barker:

Q. Did you hear him state that as a fact?—A. That was stated in his paper.

By Mr. Monk:

Q. That amendment that you speak of, and which has been referred to by the Chairman, are you sure that it was introduced in the Senate and was not in the Bill

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when it was in the House of Commons ?—A. I have been so informed by Sir François Langelier.

Q. That deposit receipt which covered Mr. Beemer's 4 per cent and which was in the hands of the company for a time, did not I understand you to say it was a deposit in the Banque du Peuple?—A. It was the Banque du Peuple.

Q. Then the receipt was worthless because the Banque du Peuple had failed?—A. I do not remember exactly whether it had failed at that time.

Q. But it was a Banque du Peuple receipt ?—A. Yes.

By Mr. Chisholm (Antigonish):

Q. How many shares did Senator Landry subscribe for ?—A. Fifty shares, and he paid at the time in 1888 4 per cent of that, that is \$200 cash.

Q. That is all he paid ?—A. That is all he paid.

Q. Did he keep his shares or withdraw from them ? I understood you to say he withdrew his shares afterwards?—A. Yes, he did, in '98, I think.

Q. How much did he withdraw ?—A. He withdrew his \$200. He was entitled to it by the clause which had been put in the Bill.

Q. There is another gentleman mentioned there as having withdrawn, Mr. T. C. Casgrain, did he do the same ?

Mr. BARKER objected to the question.

By Mr. Chisholm (Antigonish):

Q. I wish to know who Mr. T. C. Casgrain is ?—A. Mr. Thomas Chase Casgrain, the late member for Montmorency.

Q. How many shares did he subscribe for ?—A. Twenty shares.

Q. And did he withdraw his money, too?—A. Yes.

Q. When ?—A. In 1898, within the time specified by the Act. They had one year from the passage of the Act to withdraw.

By Mr. Talbot :

Q. When the new company was organized I think you told us in your evidence that you had \$51 in cash ?—A. Yes.

Q. How much money has the new reorganized company paid to the shareholders of the old company ?—A. They paid back \$460 to the shareholders of the old company.

Q. Have you the names of those to whom the amounts were repaid ?—A. Senator Landry, \$200; C. Duquet, \$100; A. Lavigne, \$80; T. C. Casgrain, \$80.

Q. Was there anything paid by the new company to the old company in order to balance the accounts either in cash or in stock ?—A. We had to pay outside of that to Mr. Beemer, to give him 35 shares for money which we have not got ourselves, because he paid it to the old company, so that we had practically \$3,500 and \$460 paid to the shareholders of the old company which went against that \$51 that we received in cash, so that there was an outstanding liability of \$4,000 that we were charged with when we started.

Q. That you had to pay either in cash or in stock ?—A. That is what we were short of, over \$4,000.

By Mr. Chisholm (Antigonish):

Q. Previous to the reorganization of the company, as I understand it, the shareholders had to pay 4 per cent on their stock subscription ?—A. Yes.

Q. What did the members of the new company, on the reorganization of the company, have to pay ?—A. Twenty-five per cent of the subscribed stock which was \$200,000. I remember well, because we had trouble enough getting \$200,000 subscribed at that time.

Q. What was the original capitalization fixed at ?—A. The authorized capital of the first company was \$1,000,000.

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By Mr. Talbot :

Q. There were also two qualifications for directors, the one for the old company was \$2,000 ?—A. That is right.

Q. And the qualification for the new company was put at \$5,000, and they had to pay up 25 per cent ?—A. Yes.

Q. How did that change come about ?—A. When that legislation was passed in 1896 it was by an amendment to the charter made in the Senate.

By Mr. Monk :

Q. In 1906, do you say ?—A. Yes.

By Mr. Talbot :

Q. The amendment was made that changed the qualification ?—A. Yes, that changed the qualification from 20 shares to 50 shares.

Q. Do you know who introduced that amendment ?—A. Do I know who introduced it ?

Q. Yes ?—A. No, I do not.

Witness relieved from further attendance for the present.

Committee adjourned.

HOUSE OF COMMONS,

Room No. 62,

THURSDAY, June 18, 1908.

The Committee met at 11 o'clock a.m., the Chairman, Mr. A. K. Maclean, presiding.

Mr. H. M. PRICE, called and sworn and examined.

By Mr. Gallihier :

Q. Mr. Price, where do you reside ?—A. At Montmorency Falls.

Q. Near the city of Quebec ?—A. Yes.

Q. Do you know the Quebec Bridge Company ?—A. Yes.

Q. You are one of its directors ?—A. I have been a director since 1887.

Q. Then you were a director of the old company as well as the present company ?—A. Yes.

Q. What position do you occupy now; what is your business ?—A. My own business?

Q. Yes, your own personal business ?—A. Lumber merchant.

Q. Have you been connected with any other business transactions, associated with any other lines of business, except lumber, Mr. Price ?—A. I have been connected with a great many companies.

Q. You have been a bank manager too, have you not ?—A. Yes, I was bank manager for 20 years, and when I left I was manager of the Merchants Bank of Canada in Quebec in 1884.

Q. Then you have had, in various lines of business, a long experience ?—A. Yes.

Q. You have been a director of the new company since 1889 up to the present time, and you are still a director ?—A. No, I was a director of the old company from 1887, and I have been continuously a director of this company ever since.

Q. You know Mr. Parent, of course ?—A. Very well.

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Q. He has been associated with you in this enterprise?—A. Yes.

Q. And the other directors, of course, you also know them? Well, the gentlemen you are associated with? By the way, to what extent are you financially interested in the company?—A. To the extent of \$5,200.

Q. Paid up?—A. Paid up.

Q. Fully paid up? Have you had to do with negotiations in connection with the building of this bridge?—A. Yes, as director I have been connected with them all.

Q. What do you say, as a director and as a business man, as to the way in which the affairs of this company have been conducted?—A. They have been conducted absolutely on sound business principles.

Q. They have been conducted on sound business principles. You know of the acceptance of what is termed interim bonds by Mr. M. P. Davis, who had the contract for the substructure?—A. Yes.

Q. Do you know at what price those were accepted?—A. At 60 cents on the dollar.

Q. And for what were they accepted?—A. They were accepted to help the building of the substructure.

Q. For moneys due by the company to Mr. Davis?—A. For moneys due by the company to Mr. Davis?

Q. The company at that time had not the necessary cash to pay Mr. Davis—A. No.

Q. To pay Mr. Davis in money, in cash?—A. No, although the contract called for the payment in cash.

Q. Yes, although the contract so called. Now, for what amount of debt did he take bonds?—A. He took, as far as I can remember, \$472,000 on bonds at 60 cents on the dollar.

Q. This being all for indebtedness due from the company to Mr. Davis?—A. Yes.

Q. As contractor for the sub-structure?—A. Yes.

Q. You have in the course of your business career, I suppose, had a good deal to do with, or if not a good deal to do with, had considerable knowledge of the value of bonds under circumstances of this kind, such as exist in this case?—A. Yes.

Q. These bonds were simply the bonds of the company not guaranteed by anyone?—A. Yes.

Q. What do you say as to these bonds handed over to Mr. Davis at 60 cents on the dollar from a business standpoint?—A. Mr. Davis took them when he could not get anybody else to take them.

Q. You had tried?—A. Yes.

Q. The company had tried to sell the bonds and when Mr. Davis took them you could not get anybody else to take them?—A. No, because there was absolutely, there was practically no security at the back of the bonds or a security, of course, of unknown value.

Q. The security really depended upon the future?—A. Yes, based upon the success of the bridge.

Q. Do you consider that a good bargain, or otherwise, made by the company from a purely business standpoint?—A. Well, when you can only get one man to buy something that nobody else will buy you are generally satisfied with your bargain.

Q. Of course, you have got to take the circumstances into consideration. Taking the circumstances that existed into consideration, do you consider that the company showed good business judgment in making this deal with Mr. Davis?—A. Absolutely so, because if the sub-structure had been completed and the superstructure had never been completed, the bonds would be absolutely valueless.

Q. And he took that risk?—A. He took that risk.

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Q. Mr. Davis accepted those bonds as payment in full of the amount that was due him? A. Yes, but he had great confidence in the outcome, the eventual outcome, and he took all the risk himself.

Q. Now, these bonds were afterwards redeemed at par?—A. Yes.

Q. How long did Mr. Davis hold these bonds between the time he took them and the time he completed his work on the bridge, the substructure? Can you tell us that?—A. Well, I cannot tell exactly. I should fancy it was some two or three years.

Q. Some two or three years?—A. Yes.

Q. Roughly speaking, some two or three years. And was it at the end of that time that the bonds were redeemed?—A. Yes, they were redeemed. The bridge company got the government to guarantee the bonds.

Q. Not those bonds?—A. Not those bonds. Those were redeemed in full in cash.

Q. Yes, but during the time that these interim bonds—we will call the bonds the government did not guarantee—interim bonds?—A. Yes.

Q. During the time those interim bonds were outstanding in the hands of Mr. Davis?—A. Yes.

Q. Some two or three years elapsed between the time they were accepted and the time they were redeemed at par?—A. Yes.

Q. And that was while the substructure was under construction?—A. Yes.

By the Chairman:

Q. Did he get these bonds periodically or did he get them all at once?—A. At one transaction.

Q. He never got any interest on the bonds?—A. No, never.

By Mr. Galliher:

Q. I was just following that up. During the time that the work was continued, that is, from the time he took these interim bonds up to the time he completed his work, in the payment of these bonds at par, was he allowed any interest by the company?—A. Not to my knowledge.

Q. Not to your knowledge?—A. Not that I remember, no. I am satisfied that it was a debt, non-interest bearing for the time being, because the interim bonds said that the 5 per cent interest only ran on completion of the substructure?

Q. Yes, on the completion of the substructure, but I want to just make that clear.

Mr. MONK.—Will you allow me a question?

Mr. GALLIHER.—Certainly.

By Mr. Monk:

Q. Ultimately was not the interest fully paid up on the \$472,000 of bond issue?—A. Mr. Davis got his interest when his work, according to contract, was completed.

Q. But my question is whether, when the bonds were totally redeemed in 1904, \$472,000 of bonds, accrued interest was not also paid? I think there is no doubt about that.

By Mr. Barker:

Q. Was there not the sum of \$28,000 paid?—A. Yes, he was paid with interest.

By Mr. Galliher:

Q. Either my understanding is wrong or my honourable friend's understanding is wrong. My understanding is that the interest that was paid to Mr. Davis on these interim bonds was when they were redeemed?—A. Yes.

Q. Was interest due from the time the work was completed up to the time of the—?—A. No, he had no interest due during the currency of the bonds. It was only after the completion of the substructure.

Q. I suppose during all these years that you were connected with this enterprise, Mr. Price—you and the other directors—you had a good deal of work in connection with it?—A. Yes, a great deal of work, a great deal of anxiety.

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Q. A great deal of work and a great deal of anxiety. I suppose Mr. Parent was your president?—A. Yes.

Q. And I presume he had the greater share of the work?—A. Well, he had nine tenths of it.

Q. Nine-tenths of the work was on his shoulders. What do you think of him as a business associate in a matter of this kind?—A. I beg your pardon?

Q. What is your opinion of Mr. Parent as a business associate, and from a business standpoint in this matter, with you professionally?—A. Well, I might say that Mr. Parent only came into the company after very great pressure on the part of two of the directors specially, that is Mr. Gaspard LeMoine and myself. We waited on Mr. Parent in 1897, I think it was, or at the end of 1896, and we pressed him very hard to come in as a director of the company, and he refused absolutely to come in. After a time we went back to him and we put fresh pressure on him and we went so far as to say to him that if he would become a director of the company we would pay up his stock and it would not cost him anything. Such was the confidence we had in him, in his administrative ability to bring the enterprise through.

Q. Yes?—A. Mr. Parent refused. He said, 'If I come in I will pay up my own stock, and I don't want a dollar from any of you to help me in this'—

Q. And during your transactions in connection with this matter, from a business point of view?—A. Mr. Parent has always had the absolute confidence of the board, and I have never known any case in which he has not had the board at his back.

Q. And were you satisfied with his work in connection with it?—A. Absolutely. The board absolutely trusted Mr. Parent and on all occasions where they proposed to remunerate his services he has always protested, saying that he did not want to be paid as president of the company. But the pressure was so strong from the whole board that he did accept some compensation for his services.

By Mr. Talbot:

Q. You have always lived in Quebec or near Quebec?—A. No, I have lived in Quebec since 1874.

Q. You have always taken considerable interest in Canadian affairs since you have been living in Quebec?—A. Yes.

Q. Generally?—A. Yes.

Q. Can you tell us how long this question of the bridge company has been before the people?—A. Well, as far as I know the question had been before the people some 30 years before we got our charter in 1887. It had been a live question more or less.

Q. Were there many appeals made to the federal parliament for help in connection with the bridge or financial assistance to secure its construction?—A. Well, for 10 years from 1887 to 1897 we had been continually waiting on the government at Ottawa for financial assistance which had been promised on certain conditions, but one way and another we had never got what we wanted.

Q. When the new company was reorganized, Mr. Price, did any of the shareholders leave the company and go out?—A. Well, I will explain that. When the new company was organized the directors had in the Act—they had a clause by which it was thought advisable as some wanted to get out that the directors would have the option of buying any stock—

Mr. BARKER.—I do not want to interrupt, Mr. Chairman, but surely we do not want to prove everything that is in the statute?

Mr. TALBOT.—We want to know what has occurred in connection with this company?

Mr. BARKER.—Your question was proper enough. You asked him what they did. That is a proper question to answer, but not to go into the history of the thing, and why it was done.

Mr. TALBOT.—Then I will follow up my question by asking Mr. Price the reasons as far as he knows.

Q. Were these shareholders forced out?—A. No. The clause was drawn 'That the directors may repay any of the shareholders their stock.' 'May repay.' The company found out that the word 'may' had been changed in the Act to the word 'shall' and when they found that out it was too late, the Act had been passed. When we got the printed copy we found it out and we had to recoup some \$450 worth of stock in consequence.

Q. Since the new company has been reorganized do you find that things have gone on much more satisfactorily in connection with the bridge question?—A. Well, unfortunately, they did not go along at all until it was reorganized.

Q. So you consider the real work of the company has begun since its reorganization?—A. Yes, there was no life into the company until it was reorganized under the presidency of Mr. Parent.

Q. Since Mr. Parent has become president of the Transcontinental Railway Commission has he continued to show interest in the work of the company?—A. He has shown as much interest as he did previously.

Q. Has he drawn any salary from the company?—A. No.

Q. Since he has become president of the Transcontinental Railway Commission? A. No.

By the Chairman:

Q. This statement was made by a public man, member of parliament, and I want to see what you think of it (reads):

'We all know that there are very few gentlemen of the city of Quebec really interested in this enterprise. I assert that this company in reality is composed of four or five men at the utmost who have contributed an extremely small sum of money to the capital stock of the company, but who have taken hold of that enterprise with most unpatriotic motives, motives of personal gain and private interest.'

What do you say about that statement?—A. Well, of course, the man who made that statement is utterly ignorant of what the word patriotism means.

Q. There are a great number of shareholders in the city of Quebec interested in the bridge?—A. Yes. If I am not mistaken there are over 200.

Q. And I suppose most of them became shareholders through patriotism to the bridge?—A. Entirely. To help Quebec in this enterprise, entirely from that motive.

Q. I suppose the hope of gain was very remote?—A. Well, it has not appeared so far.

Q. What precautions did the directors take respecting the superstructure, Mr. Price? Do you know?—A. In which particular point? As regards engineering?

Q. The engineering, yes?—A. Well, as far as the selection of the engineer, they took the advice of some of the most prominent people, engineers, on this continent, as to what list they should pick from. A list was made out by inquiries from all quarters as to who were the most prominent people on this continent capable of inspecting such a work and from that list names were gradually eliminated until we came down to the final choice, and that final choice was supported, I think, by some of the most prominent men on this continent. They told us that we had made a right choice in selecting Mr. Cooper.

Q. You got the best man available then?—A. Yes.

Q. Did you not think there should have been another man with him, or did you make any effort in that direction?—A. The company were so generally satisfied that they had the right man and their choice was so generally supported by the engineering profession that they thought they could not have done better.

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By Mr. Talbot:

Q. Can you tell us if you consider the government made a good bargain in 1903 when they guaranteed the bonds of the company?—A. As far as I can see the government got a good deal for which they did not give anything. For instance, they got under that act some \$265,000 stock, they had the subsidy of \$300,000 from the city of Quebec, and \$250 0 0 from the province of Quebec, they had the unpaid balance of the subsidy from the Dominion government itself of some \$625,000 or \$650,000, and in addition to that they had the customs that would probably, as they calculated, amount to \$1,000,000.

Q. That is on the material?—A. On the material, a total of \$2,500,000, taking it altogether.

Q. Is it your opinion that the government got rather the better, or did the company get the better of the bargain?—A. I should say that the government got the best of the bargain, because they undertook to give the shareholders back their money with a bonus of 10 per cent, 5 per cent interest, and as it was uncertain how long that might be before it was redeemed, and it has practically lasted ten years, so that if they redeemed it to-day that would be ten times five and the 10 per cent, that would be an average of 60 per cent on the whole investment of the shareholders.

Q. Mr. Price, are you satisfied as a director of the company that the company took all necessary precautions to prevent any accident or collapse?—A. As much as human foresight could accomplish.

Q. You had a Mr. Cooper as supervising engineer?—A. Yes.

Q. What was the reputation of Mr. Cooper?—A. As I have previously stated Mr. Cooper stood, as far as we could ascertain, at the head of his profession.

Q. Did you consider, at the time, that you could have secured anywhere a better man?—A. No.

By Mr. Galliher:

Q. There is another phase of the case that has struck me. Now, apart from the actual bridge which spans the river itself, what other assets have the company in connection with that bridge?—A. They have no assets.

The CHAIRMAN.—You mean the approaches?

By Mr. Galliher:

Q. Well, haven't you some terminals?—A. The approaches go with the bridge, of course you cannot make a bridge without the approaches.

Q. I grant you that, but have you or have you not connection with the terminals of other railways?—A. Yes.

Q. In all, what mileage have you in that respect?—A. I should think about four miles now—no, on one side it is about four miles, on the south side, and on the other side I suppose practically to-day there is, it might be eight miles altogether, that is absolutely built.

Q. That is built?—A. Yes.

Q. Graded and the tracks laid?—A. That is what I understand.

Q. That is in connection with the approach?—A. Yes.

Q. And is part of the assets?—A. Part of the assets.

Q. Of the company?—A. Yes.

By Mr. Barker:

Q. Mr. Price, I suppose in your knowledge of this undertaking from the beginning you can tell us whether this should be rightly considered one of the great engineering works of the century?—A. The greatest.

Q. The greatest and at an enormous probable cost. Will you tell us now roughly in round figures, what the probable expenditure will have amounted to on completion?—A. Between \$6,000,000 and \$7,000,000.

Q. Over and above bonuses?—A. Yes.

Q. You do not mean that \$6,000,000 or \$7,000,000 did not include everything?—A. It is according to how far the approaches were carried.

Q. I am not going into particulars, I want to know in round figures about what would be the ultimate expenditure on the undertaking over and above the bonuses, Dominion, provincial and city?—A. Outside bonuses?

Q. Yes, you see you got a guarantee of \$6,800,000 which indicates that there must have been a very large expenditure?—A. If you deduct the bonuses from \$6,000,000 or \$7,000,000 you arrive at about \$5,000,000.

Q. Your knowledge as a director of the undertaking is that about \$5,000,000 plus the bonuses would have paid for the work?—A. About that.

Q. Will you tell me why you wanted a guarantee of \$6,800,000?—A. We wanted it to build the bridge.

Q. You wanted it for the money, I suppose, to expend on the undertaking over and above the bonuses?—A. Yes.

Q. Why did you want \$6,800,000 to pay \$5,000,000?—A. If you come to deduct from the \$6,678,000 that the Dominion Government guaranteed, there were a good many things to be deducted from that, discount on bonds and \$1,000,000 in customs.

Q. That is all included in the cost of construction, I do not mean to eliminate the discount and customs, but I want to test your knowledge as a business man of what you were superintending as director. What was this undertaking going to cost you over and above the bonuses of the Dominion and Provincial Governments and the City of Quebec?—A. We estimated \$6,678,000 would cover the cost.

Q. Roughly that was it?—A. Yes.

Q. The bridge would cost \$7,000,000 in round figures?—A. Yes.

Q. Now will you tell me how much money the stockholders of the company put into that undertaking out of their own pockets and apart from anything they received from the company?—A. They put in \$265,000.

Q. That actually went into the work out of the pockets of the shareholders?—A. Yes.

Q. Do you mean that was before the \$200,000 or after the \$200,000?—A. Before the \$200,000.

Q. The \$200,000 that was put in under the last statute?—A. The \$200,000 was part of the \$265,000.

Q. How much outside the \$200,000 did the shareholders put into this undertaking out of their own pockets?—A. The \$200,000 was just as much a part of the \$265,000 as the other.

Q. You need not argue the question, we will take that up separately. Outside of the \$200,000 how much did the shareholders of this company put into this undertaking?—A. \$65,200.

Q. And out of their own pockets; if you remember I said apart from what they drew from the company?—A. What they drew from the company went into their pockets first.

Q. We are not going to catch you in any way; but apart from what they took from the company, or what they drew from the company, what did they put into this undertaking?—A. I have said \$265,000.

Q. No, that includes the money voted to you as directors?—A. You asked me how much they put in the undertaking out of their own pockets?

Q. Independent of what was voted to them by the company and which they put into stocks?—A. Our fees as directors went into our pockets, and from our pockets into the company.

Q. If you are a business man you know what I am asking you, we expect you to be candid in this matter. I ask you again, outside of what was voted to them by

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the company how much did the shareholders of this company put into the undertaking out of their own pockets?—A. I am unable to say that because—

Q. Well, then, that is an answer, you are unable to say. Now, Mr. Price, you say you hold \$5,200 of fully paid up stock?—A. Yes.

Q. How much of that \$5,200 was paid by you out of your own pocket apart from the money voted to you as director?—A. I never divided it in that way; my fees came to me in the shape of a cheque and the money would go into my pocket, and then I paid my calls out of my pocket.

Q. Will you be good enough to divide it now?—A. I am unable to divide it.

Q. You are unable to divide it, you do not know?—A. No.

Q. You told us you do not know of that \$5,200 how much you paid in cash and how much you paid in money voted to you?—A. No, I never looked it up, it covered a series of years, and unless I went over it and divided it I could not tell you.

By Mr. Monk.

Q. I see by an answer given by the government in the senate that you received up to the month of March, 1908, from the company, \$3,505.92?—A. That would show there was \$1,700, then.

By Mr. Barker:

Q. That you paid out of your own pocket, strictly speaking?—A. Yes.

Mr. GALLIHER.—It would show more than that, as I understand it, because there were payments made in cash to the directors that were not afterwards taken in stock, that is the old payments that were made. So that that amount would not represent that, as there would have to be further deductions from the total amount.

Mr. BARKER.—I am not particular about the exact amount, I am rather putting this question to Mr. Price as a business man for the purpose of testing him to see how much he knew about his own interest in the company.

Mr. GALLIHER.—But I think it is fair to point that out.

Mr. MONK.—That would go rather to contradict the statement just made by Mr. Price.

Mr. GALLIHER.—No, it would go to increase the amount he paid in cash?

A. Very much.

Mr. MONK.—No, it would increase the amount he actually received from the company, but the question that Mr. Barker actually asks is this, 'How much did he pay in cash into the company apart from the amount that he received from the company and converted into stock.

Mr. TALBOT.—The question was, how much did he pay out of the cash he received.

Mr. BARKER.—I am quite willing to leave it as it is, to take Mr. Price's statement just as it is, as indicating his knowledge of the business of this company.

By Mr. Barker:

Q. Now, Mr. Price, when was the sale of \$472,000 of bonds to Mr. Davis—I am not sure those are the exact figures, but you know the sale I mean?—A. I do not remember the date.

Q. I do not want the exact date, but what year?—A. I think it is some eight years ago, I do not know, but something like that.

Q. I am not holding you to a year. About eight years ago the company sold these bonds to Mr. Davis at 60 cents on the dollar?—A. Yes.

Q. And you say that was a good business transaction from the company's point of view?—A. Yes.

Q. I suppose that means, then, that was the full extent of the financial credit of your company at that time; you were worth about 60 cents on the dollar in point of security?—A. I am sorry I do not look at it in the same light as you do

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Q. Possibly not, but if you were worth more than that possibly you could sell them for more; you say it was a good business transaction. Did you consider you sold for the full value of the bonds?—A. A good business transaction is generally to get the highest price possible for anything you have for sale.

Q. You thought that was the highest possible price that could be obtained for those bonds at that time?—A. Yes.

Q. I think that is a fair inference, that it is an indication of your financial standing. Mr. Davis had a claim against you for the work he had done?—A. Yes.

Q. Had he any means of getting that except out of you as a company?—A. No.

Q. He had no security at that time?—A. No.

Q. Did his claim bear interest?—A. No, only his claim naturally would bear interest under the common law.

Q. Did it bear interest under the common law?—A. Under this compromise bonds—

Q. I am not speaking of any compromise. When he came to you for that deal he had a claim for so much money?—A. Yes.

Q. Was that claim bearing interest, or was the interest postponed until the completion of the work?—A. The claim was an ordinary one against the company.

Q. An ordinary claim?—A. Yes.

Q. A noninterest-bearing claim?—A. Well, the common law giving any body interest—

Q. Unless he is entitled to it as a matter of law there was no agreement to pay him interest?—A. Not that I can remember, I cannot recall that exactly.

Q. So that when he took \$472,000 in bonds on account at 60 cents on the dollar, those bonds not bearing interest at the time, it just left him where he was with regard to interest, did it not, but he got the bonds?—A. No, he would have interest on his ordinary claim under the common law, whereas he contracted himself out of interest by taking the bonds without interest until the substructure was completed.

Q. You say that there was no contract to pay him interest?—A. Not that I remember, but he had it under the common law

By Mr. Monk:

Q. What is this common law that gave him interest on a claim for work done?—A. Anybody that has a debt owing him has a right to interest on it.

Q. A contractor has, during the pendency of his contract?—A. Yes, if the estimates had been given him, and the amount was due, anything that is past due most certainly bears interest.

The CHAIRMAN.—That would be right, I think.

Mr. MONK.—It is not the law in our province.

The CHAIRMAN.—It must be, certainly; supposing a contractor is entitled to payment on progress estimates and supposing he gets one progress estimate and it becomes due, and then a second estimate becomes due and he does not get the money, he is entitled to interest.

Mr. MONK.—There is only one way he can get interest in our province, and that is by suit at law.

Mr. BARKER.—We had better not argue the law here, let us get the facts.

By the Chairman:

Q. You might make it clear, I do not quite understand. Mr. Price is not making it clear. Now, did Mr. Davis enter into an agreement whereby he abandoned any claim for interest up to the time that the substructure was completed?—A. He did, by accepting that \$472,000 bonds at 60 per cent.

Q. How did that suppress the interest, was there an agreement to that effect?—A. He was only to be paid interest—

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Q. I want to know if there is an agreement to that effect between Mr. Davis and the company that the interest was postponed until the completion of the substructure? Was it in writing, I have not seen it?

Mr. CHISHOLM.—If I understand Mr. Price right, what he means is this: that when Mr. Davis did his work he was entitled to pay, and that not having been paid he would under the common law be entitled to interest as damages for breach of contract to pay him at that time. As he says these damages, which would be interest, were waived by Mr. Davis by his acceptance of these bonds.

A. In fact, Mr. Davis put himself in a better position by accepting the bonds because he had some security on the work he had already done, prior to that he had no security.

By Mr. Barker:

Q. What you think would be the result of it was that interest was stopped on the \$283,000, which was the equivalent of 60 per cent on the amount of the bonds?—A. Yes.

Q. But he got 40 per cent premium and when the work was completed he got interest on the whole?—A. Excuse me, there was no premium in the matter, there was a discount.

Q. When he got the bonds at 60 he had a premium of 40?—A. That is a discount.

Q. It was a discount to you, but he got a bonus of 40 per cent on the whole. Discount on the one side means profit on the other. He credited you with \$283,000 against the general account?—A. Yes.

Q. And you say that stopped the interest on \$283,000?—A. Yes.

Q. Then he held your bonds and at a certain date he drew 5 per cent on the whole \$472,000, is that right?—A. He got paid cash.

Q. And he got interest, as the accounts will show?—A. He got interest from the date the substructure was completed.

Q. So he stopped interest on his current account of \$283,000 and he got a bond for \$472,000, and that bond on the completion of the work bore interest at 5 per cent?—A. Yes, he got a bond without any security at the back of it.

Q. On which he received the money, that is the evidence we have here?—A. Yes.

Q. That is a good business transaction on the part of a solvent company, I suppose?—A. A company is very fortunate if they can get bonds bought at 60 cents on the dollar without any security at their back.

Q. What were those bonds a charge upon?—A. A charge on the substructure practically.

Q. And I suppose this \$283,000 that he advanced 60 per cent on was a very small portion of the value of the substructure, was it not?—A. Yes.

Q. It was, so there was pretty good security there?—A. The substructure was utterly valueless until the superstructure was put on it.

Q. That would depend upon the mortgage bonds, would it not?

The CHAIRMAN.—Supposing the superstructure were never completed?

By Mr. Barker:

Q. Have you a copy of the bond here?—A. No.

Q. Have you ever seen a copy of the bond?—A. Yes, a great many years ago.

Q. Was there a mortgage in connection with it?—A. It would be an ordinary interim bond.

Q. Was there a mortgage in connection with it?—A. The interim bond always represents a mortgage.

Q. Then there was a mortgage on something on which these interim bonds were issued?—A. Yes.

Q. So he had that, whatever it was, as his security?—A. Yes.

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Q. And he took them at 60 per cent and you gave them to him at a discount?—A. Yes, willingly.

Q. Well, I can see that, very plainly, it was a good thing for him. Without taking these bonds, I suppose he stood in the position of having an ordinary debt at law against you?—A. He was a creditor without security.

Q. Simply on his contract, and you had a large portion of the work done and he had no security whatever except the right to sue you at law?—A. Yes.

Q. And you think it was a good business transaction on the part of your company to give him \$1.00 for 60 cents secured by mortgage on some property?—A. There are various sorts of mortgages, some mortgages are only paper ones.

Q. I know, but this was a mortgage as good as you could give, I suppose?—A. It was the best we had.

Q. You gave him the best mortgage you had upon the work done by himself, on which you had paid large sums?—A. Yes.

Q. And therefore this \$283,000 was secured upon property, a large portion of which had been paid for, and you gave him that on a mere claim that he had the right to sue upon?—A. Yes.

Q. And you gave him a bonus of 40 per cent?—A. No, we did not give him a bonus.

Q. By the way, you gave him 100 for 60, didn't you?—A. There was no bonus.

Q. You gave him 100 for every 60 of that credit?—A. Excuse me, you talk about bonus, I use the word discount.

Q. I am taking it from Mr. Davis' point of view, you gave him \$100 for every \$60 he gave you credit for, that is the transaction, is it not? He realized 100 on the bonds?—A. On the bonds.

Q. And you think that was a good business transaction from the company's point of view?—A. Most decidedly I do.

Q. I suppose it greatly improved Mr. Davis' position?—A. We did not see it by his demeanour.

Q. You did not. It ultimately became very valuable, did it not?—A. Distance lends enchantment to the view sometimes.

Q. Especially when you realize on the enchantment. Now you did inquire about Mr. Cooper, you say. You made a great many inquiries?—A. Yes.

Q. In what capacity did you employ Mr. Cooper?—A. As engineer in chief—as consulting engineer, I should say.

Q. As consulting engineer?—A. Yes.

Q. Who was the engineer in chief, the engineer in charge?—A. Mr. Hoare.

Q. How long have you known Mr. Hoare?—A. How long from now, or from when we engaged him?

Q. From now, say, how long have you known him?—A. I have known him over thirty years.

Q. You are aware that Mr. Hoare was an ordinary railway engineer, wasn't he, on general construction work on railways?—A. Well, I would not class him under the word 'ordinary.'

Q. Oh no, you could say 'superior'?—A. Yes.

Q. He was an engineer on construction work for the railway?—A. Yes, he was an engineer, more than an ordinary engineer, because he was in charge of the whole Lake St. John system.

Q. That is a provincial railway running north for how many miles?—A. Some 200 miles, I suppose.

Q. I think that is a fair statement of his position. He would have the general charge of the construction of that railway and of the maintenance of it, and in that capacity he would have to look after the ordinary bridges on the railway?—A. Yes.

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Q. Did you know, or do you know, that Mr. Hoare was ever connected with any great bridge construction work, apart from the ordinary bridge on the railway?—A. I do not know exactly what work he has done; I know he has had a varied experience.

Q. In the way you have spoken of?—A. Generally on bridge work, on railways and on general engineering work.

Q. But are you able to say that you do know he was connected with any large, very large, bridge construction in metal?—A. I believe he built the largest bridge for the Lake St. John, or the Great Northern at Hawkesbury, I believe a cantilever bridge.

Q. He built an iron or steel bridge I presume?—A. Yes.

Q. For the Lake St. John Railway?—A. Or the Great Northern.

Q. Have you had any knowledge, Mr. Price, in your long and varied experience as a bridge director whether these railway engineers design these bridges themselves?—A. Well I presume they are designed in connection with the bridge company that builds the bridge.

By Mr. Monk:

Q. Do you know has Mr. Hoare ever built a cantilever bridge in his life?—A. He was engineer for one. I don't know how far he drew the plans and how far the bridge company that built the bridge drew the plans, but I presume the two heads worked together.

Q. He was engineer for a cantilever bridge?—A. I presume so.

Q. Where?—A. He built the bridge at Hawkesbury, I believe.

By Mr. Barker:

Q. That is the Lake St. John Railway?—A. The Great Northern.

By Mr. Monk:

Q. You say the bridge at Hawkesbury is a cantilever bridge?—A. I think on this subject Mr. Scott would be better posted.

By Mr. Barker:

Q. You don't know?—A. No.

Q. You do know something about these things. Are you not aware that when a railway company is getting a metal bridge constructed it sends to an expert bridge builder all the particulars, the general particulars and gets him to design the bridge?—A. Yes.

Q. So that Mr. Hoare, in doing what you say as engineer of the St. John Railway, would get the design of the bridge prepared by the expert of the bridge company?—A. I presume he would consult with other people, yes.

Q. You know, do you not, that is the practice?—A. Yes.

Q. So that being the engineer of the railway company all he would have to do would be to ascertain the necessary span and the kind of traffic?—A. Yes.

Q. And submit that to the expert engineer of the bridge company, who would design the bridge accordingly?—A. Yes.

Q. And that is the kind of professional knowledge that Mr. Hoare, who was the chief engineer of this immense, world wide, renowned undertaking of yours had, and he was to control and manage it on the spot?—A. Yes. I should say that Mr. Hoare really was the engineer on the spot under Mr. Cooper's direction.

Q. Well I was just coming to that. Mr. Hoare was the engineer in charge?—A. Yes.

Q. Where did Mr. Cooper live?—A. He has a residence in New York.

Q. And has an office there?—A. Yes.

Q. His office and residence were in New York and he was to be consulted by the engineer in charge?—A. Yes.

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Q. Did you provide that Mr. Cooper was to pay regular visits to the work?—A. Well he paid the visits that as consulting engineer he deemed necessary.

Q. That is too general. I want to know, as a fact, did you provide in your arrangement with Mr. Cooper that he personally should examine the work from time to time?—A. He was responsible.

Q. I have not asked you that. You know the question I put. Did you provide that Mr. Cooper was to personally visit the work and inspect it from time to time?—A. He would make what visits he deemed necessary.

Q. I did not ask you what he deemed necessary. I asked you did you provide that he was to go to that bridge from week to week, or from any period to another period, and see for himself what was going on?—A. He undertook to supervise the work and make any visits that were necessary.

Q. But you did not provide for any specific visits or any periodical visits?—A. There were no stated ones.

Q. That was left to his discretion entirely?—A. Yes.

Q. By the by, do you know Mr. Cooper's age?—A. I do not know his age. I know it is over 60.

Q. Eh?—A. I know it is over 60.

Q. Over 60. Is that the highest you can go?—A. Well I have not seen him for some years.

Q. Well we will probably get his age exactly. Did you ever see Mr. Cooper?—A. Yes.

Q. At the bridge?—A. No, in New York.

Q. You went to New York?—A. I have seen him in Quebec.

Q. But never at the bridge. How did Mr. Hoare consult Mr. Cooper?—A. Consulted him when he has been in Quebec and also in New York. Mr. Hoare was constantly in New York.

Q. He was constantly going to New York for the purpose, was he?—A. And for other business in connection with the Phoenix Bridge Company.

Q. If he was going for other purposes it had nothing to do with the consulting engineer?—A. Yes.

Q. Did he frequently go to New York to consult the consulting engineer?—A. He went to New York on bridge business connected with the Phoenix Bridge and to see Mr. Cooper, he killed two birds with one stone.

Q. Who else was employed, other than these two gentlemen, in the way you have mentioned?—A. There were inspectors of the work and, of course, the Phoenix—

Q. Was the inspector employed by the company?—A. Yes, employed by the company.

Q. By the Quebec Bridge?—A. By the Quebec Bridge and Railway Company.

Q. Who was he?—A. It was Mr. McClure.

Q. What was he?—A. I suppose he was a sort of—

Q. Eh?—A. He supervised the work personally.

Q. What was he professionally?—A. An engineer.

Q. What was his experience?—A. Varied.

Q. Eh?—A. Varied.

Q. Did he have any knowledge of bridge building?—A. I don't know. I know that he had some experience before he came there and was looked upon as a man quite competent for the position.

Q. Had he any knowledge of the practical work?—A. Yes, the practical work.

Q. A sort of inspecting foreman, I suppose?—A. Yes.

Q. When the catastrophe occurred I understand the engineer had to go to New York to see the consulting engineer?—A. Yes.

Q. Before it had actually taken place?—A. Yes.

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Q. The consulting engineer did not come to the bridge?—A. No, but he was advised by wire.

Q. So the consultation was, therefore, 100 miles away from the work, you see. Who consulted Mr. Cooper?—A. Well I believe the whole is in that correspondence.

Q. I want to know personally who went to New York to see Mr. Cooper?—A. Mr. McClure, I believe.

Q. Anyone else?—A. I believe Mr. McClure went personally at that time.

Q. Mr. McClure alone?—A. Yes.

Q. So the inspecting foreman on the bridge, there being danger, went off to New York to see the consulting engineer?—A. Yes.

Q. Where was Mr. Hoare?—A. He was on the bridge.

Q. He did not go to New York?—A. No.

Q. And Mr. Cooper did not come to the bridge?—A. No.

Q. Eh?—A. No, except that Mr. Hoare had advised him.

Q. And while they were skipping to and fro the bridge went down?—A. It looks like it.

Q. Now you say you thought the government made a very good bargain in the last deal?—A. Yes.

Q. And you say that they got a large part of their subsidy which was unpaid?—A. They did not pay it. In fact——

Q. That was gained to the government?—A. Yes.

Q. And what else do you say they got?—A. They got \$2,265,000 of stock. They got the provincial subsidy——

Q. That included the money you had subscribed about 20 years ago?—A. No, no.

Q. That \$5,000 was money you paid partly with the votes and partly with cash out of your own pocket?—A. No. There was only some \$200,000 subscribed when the new company paid up I think. The new company I think took over the——

Q. I wish you to leave out of the bargain for a moment the \$200,000 which had not then been paid in. You say the government got \$265,000?—A. Yes.

Q. They got an undertaking that you would find that money, the \$200,000?—A. Yes.

Q. And they got the money that had all been spent some years before?—A. Yes, they had \$550,000 subsidies.

Q. I just wanted to find out. You say they got all. What else do you say the government got?—A. They got a subsidy \$300,000 from the city of Quebec and \$250,000 from the province.

Q. That had all been spent, had it not?—A. Yes, and some \$350,000 of their own money. And then the balance was cancelled.

Q. They were making money very rapidly?—A. Yes.

Q. And this was a good bargain for them?—A. I think so.

Q. But they left the thing in your hands?—A. Well I would like to know what better hands it could have been left in.

Q. I can quite understand that. They did not take the property but they gave it to you and they were making money that way. Was that your evidence?—A. When they guaranteed the bonds we became practically trustees.

Q. You became practically trustees?—A. Yes.

Q. And you took control?—A. Well, trustees generally have control.

Q. But you had a beneficiary control?—A. It was a benefit to the government.

Q. I see you really thought that was a good bargain for the government?—A. That is really what I honestly thought.

Q. To guarantee \$6,800,000 to enable you to go on?—A. \$6,678,000.

Q. Yes, but I was speaking in round figures. They guaranteed that and left you in full control?—A. Yes.

Q. You appointed the engineer and the consulting engineer?—A. Yes.

Q. And they said 'God bless you' and let you go on and make all this money out of it? Is that what your view of it is?—A. You are so difficult to follow when you go into these—

Q. Well I will drop any prayers or anything of that kind. That was really, Mr. Price, what you considered a good thing for the government?—A. That is what I honestly think.

Q. You say the shareholders took the risk?—A. Yes.

Q. What was your risk? You paid up in full and spent it?—A. The shareholders had nothing practically to gain and a possibility of loss.

Q. Your words were the government got everything and you took the risk?—A. Yes.

Q. You had paid up your own stock? For example \$5,200 of yours is fully paid up?—A. And if there was any profit to come out of the bridge we did not get it. The government would take over all our work and the risk we had taken practically for 6 per cent interest.

Q. And, Mr. Price, you really wish us to understand that that \$5,200 of your stock was worth a dollar at that time?—A. It was worth a dollar plus 5 per cent interest and a possible—

Q. No but you were speaking a little while ago of actual values in the market?—A. Yes, I did.

Q. Could you have sold your stock for 50 cents?—A. No, and I would not have sold it for anything under par.

Q. Then your risk was of losing the stock that was worth nothing?—A. I am afraid that you—

Q. I am taking your position as you explained it a little while ago. You said the government got everything and the shareholders took the risk?—A. The shareholders took the risk and they took it to benefit the district.

Q. Supposing the government had not guaranteed this \$6,800,000 what would have become of the concern?—A. Excuse me correcting you, you have \$122,000 over stated the amount they guaranteed.

Q. Well I will say if you like six and a half millions, I am speaking in round figures?—A. I would not like the bond indebtedness increased.

Q. I think you are quite right to be a little touchy on that matter. What is the exact amount?—A. \$6,678,000.

Q. Now then supposing the government had not chosen to guarantee that \$6,678,000, where would your company have been?—A. Where would the company have been?

Q. Yes?—A. Well it would mean that the interim bonds given Davis were valueless.

Q. They would never be worth a cent to the company?—A. No.

Q. You took all the risk of losing that? Is that the risk you took?—A. We had nothing to gain under the Act of 1903.

Q. You had only something to lose? You took all the risk, you say?—A. Yes.

Q. In addition to the \$6,678,000 you had a floating debt, had you not?—A. No. A floating debt? There is always in any company a certain amount of unpaid indebtedness. But we had bonds back of that to pay it.

Q. You had bonds back of that to pay it?—A. Yes.

Q. Now, Mr. Price, you have told us that the affairs of the company were conducted in a businesslike manner throughout?—A. Yes.

Q. You assert that as an ex-bank manager and as a business man?—A. Yes.

Q. Of varied experience. Do you think when you as a company agreed to issue and get in \$200,000 of stock, as a consideration of that guarantee, that it was sound business conduct to pay that \$200,000 out of the proceeds of the guaranteed bonds or any part of that sum?—A. I do not understand exactly the import of your question.

Q. You say the company was conducted on sound business principles?—A. Yes.

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Q. I think those were your words?—A. Yes.

Q. I ask you, having undertaken to procure subscribed and paid-up stock of \$200,000 as a condition of the government giving you that guarantee——A. Yes.

Q. Was it sound business conduct to use the proceeds of the guaranteed bonds to put into the company's treasury that \$200,000 or any part of it?—A. The \$200,000 was absolutely paid up in cash.

Q. You actually found it out of the proceeds of the bonds at first?—A. Yes, at first, I believe.

Q. And you think that was sound business conduct?—A. Well it was——

Q. Do you think that was sound?—A. It was a book-keeping entry more than anything else.

Q. Then when the government made a condition of your getting this guarantee that you should put up the cash you think it was sound business conduct to simply do it by making a book-keeping entry?—A. I say that actually the \$200,000 was paid-up out of the stock.

Q. Ultimately?—A. Yes.

Q. Yes, but the contract was not that you should do it ultimately. As a consideration for the government's guarantee you were to replace the capital, were you not?—

A. It made no difference at all except as a book-keeping entry, the result was the same.

Q. I suppose, Mr. Price, you told the government that, did you?—A. The government generally knows things without being told.

Q. You assumed that, did you?—A. I don't know what we assumed, it is so long ago.

Q. Did you or did you not tell the government, or any member of the government, that you were using the proceeds of these guaranteed bonds to pay that \$200,000, or any part of it, into your treasury?—A. I did not myself.

Q. Did anybody?—A. Beyond myself I cannot speak.

Q. Do you know?—A. No, I do not.

Q. Did you ever hear?—A. No.

Q. Were the directors ever asked by the government if they had found that \$200,000 of paid-up capital?—A. I do not remember. I know that the transaction—the result was absolutely the same, the result was the same.

Q. You knew it was being done in the way it has been done?—A. Yes.

Q. You did know that?—A. Yes.

Q. You did not communicate, I understand, your knowledge that that was being done to any member of the government?—A. It was looked upon as regular.

By the Chairman:

Q. Did you not have a solicitor looking after that?—A. Yes, we have done everything under legal advice.

By Mr. Barker:

Q. Did you consult your solicitor as to whether you could do it in that way?—A. I presume I did.

Q. You either did or you did not, I do not want you to say you presume?—A. Then I will say I don't know.

By the Chairman:

Q. Who prepared the plans of this bridge, was it Mr. Cooper?—A. I believe Mr. Cooper and Mr. Szlapka.

By Mr. Galliher:

Q. Just to clear up a few points, Mr. Price. I suppose you were not hearing while the bridge was going along, and before this unfortunate accident happened, any comments as to the wisdom of your giving these interim bonds at 60 per cent, to Mr. Davis?—A. It was never questioned.

Q. There was nothing coming up about that?—A. No.

Q. The outside business world were not making any remarks about that?—A. I never heard any comment upon it.

Q. And I do not suppose there would have been any, but for the accident, at the present day?—A. No.

Q. Now, Mr. Hoare was the engineer of construction on the work?—A. Yes.

Q. That was his position; was it not?—A. Yes.

Q. He did not prepare the plans?

Mr. BARKER.—Are you giving testimony or asking questions? You say he did not prepare the plans instead of asking the witness if he had.

Mr. GALLIHER.—Of course as my honourable friend wants the examination to be confined strictly to rules of court—

Mr. BARKER.—There is a great difference between asking a question and telling the witness that a person did a certain thing. Let us have a little moderation.

Mr. GALLIHER.—Does it make any difference whether I ask the witness 'did not Hoare prepare the plans' or 'who prepared them'?

Mr. BARKER.—It is a different thing for you to tell him that Mr. Hoare or somebody else prepared the plans.

The CHAIRMAN.—You had better go on and ask the question.

By Mr. Galliher:

Q. Did Mr. Hoare prepare the plans of this bridge?—A. No, I believe Mr. Szlapka in conjunction with Mr. Cooper.

Q. Did Mr. Hoare have anything to do with the designs of this bridge?—A. No, I believe not.

Q. With the passing on the plans or designs of the bridge?—A. No, he had no authority in that way.

Q. By whom were they passed upon?—A. Mr. Cooper.

Q. Mr. Hoare was the engineer on construction?—A. On construction, yes.

Q. How did the material come to build the bridge from the contractors, the Phoenix Bridge Company? By that I mean did it come in accordance with plans and specifications?—A. It came absolutely according to contract. There was a certain—

Q. And what were Mr. Hoare's duties when the timber, or iron, or whatever material it was came there?—A. His duty was generally to look over and see that everything was according to the contract and he reported to Mr. Cooper from time to time. He took his orders—

Q. What about the placing of the material in the structure?—A. That was in the hands of the Phoenix Bridge Company absolutely.

Q. Those were his duties and he performed those in connection with the construction of the bridge?—A. Exactly.

Q. Now clear up the matter of the \$5,200 which you took out in shares. I find on September 3rd, 1901, a vote of \$10,000 to the shareholders of which an amount of \$795.92 was allowed to you as one of the directors?—A. Yes.

Q. That \$795.92 was used by you in taking 800 shares?—A. \$800.

Q. \$800 of shares rather on the 15th January, 1902?—A. Yes.

Q. Making the difference I suppose between \$795 and \$800?—A. Yes.

Q. That represents \$800 that you got by vote for services that you invested in shares?—A. Yes.

Q. On September 2nd, 1902, I find a vote of \$5,000 for the same purpose and you received the sum of \$400?—A. Yes.

Q. You re-invested that, taking that amount in shares?—A. Yes.

Q. That makes \$800 and \$400. Later on there was another \$400 on the 1st October, 1903, which you also took out in shares?—A. Yes.

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Q. Making in all \$1,600 that you paid in for shares out of moneys that you had received?—A. Yes.

Q. That sum deducted from \$5,200 would leave \$3,600 of actual money put in by you out of your own pocket outside the moneys voted you which you put in?—A. Yes, I took \$3,500 as per that return. I took the honourable member's question to mean what was the difference between the \$3,500 that I had received and the \$5,200 of stock. Of course, I had paid out a good deal in cash but I took it to be the total that I had received as per that return in stock and the total of—

Q. I merely want to clear up, what did not seem to have been made very clear, the amount that you had actually paid?—A. In cash?

Q. Out of your own pocket, independent of these votes, out of the \$5,200 of stock?—A. Yes.

By Mr. Monk:

Q. It is not a very important matter but that part of your examination, I think requires to be cleared up. Are you in a position to tell us to-day how much you received from the company for services or otherwise?—A. No, except by that return I see I have received about \$3,500, but I bought a good deal of stock and paid for it in cash previous to that. But, of course, since then my fees have come up to \$3,500 in all.

Q. You cannot tell us how much you received from the company?—A. No, except by that return.

Q. That is the only source of information you have?—A. I should say it would be about that. That would be about 7 years' fees at \$500 a year.

Q. Can you tell us how much you paid into the company in cash?—A. \$1,700, the difference between the total of my fees and the total of my stock.

Q. Is that correct?—A. That is correct.

Q. You said that Mr. Hoare reported from time to time to Mr. Cooper?—A. Yes.

Q. Have you any personal knowledge of that? Do you know that he reported?—A. Yes, because it came up at the Board meeting.

Q. Were these written reports he sent to Mr. Cooper?—A. Yes.

Q. On the bridge work?—A. Yes, on the bridge work. He constantly reported to the board.

Q. He constantly reported to the Board that he had reported to Mr. Cooper?—A. All the time, he was keeping him posted.

Q. Do you know if he made reports in writing?—A. Yes.

Q. How do you know that?—A. Because at the Board meeting he reported that he had written. He would sometimes read his report to Mr. Cooper. He practically always attended.

Q. Did you ever see any of these written reports?—A. Well he would come to the Board meeting sometimes and read us the things he had written to Cooper and extracts from his reports.

Q. Did you go down to New York when the engagement of Mr. Cooper took place?—A. I was in New York on other occasions with the Hon. Mr. Parent.

Q. Did you see Mr. Cooper?—A. Yes.

Q. Were you present when his services were engaged?—A. Well I do not know whether it was the very day, but I was there on two occasions, I remember, at the commencement when we first discussed it.

Q. Did you confer with any other bridge expert, apart from Mr. Cooper, before undertaking the work?—A. Not myself personally, but we made a great many inquiries in the United States with reference to all the leading bridge engineers.

Q. Do you know if Mr. Cooper came often to the bridge during its construction?—A. I do not know the exact number of times, but they were limited.

Q. Can you speak as to about how often he came?—A. I could not say.

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Q. Did you hear of the possibility of an accident to the bridge before the accident actually occurred?—A. The directors never heard one single remark about any danger or any possibility of it.

Q. Was any report made to you that anything had gone wrong with the bridge at any time?—A. No.

Q. The first you heard that anything had gone wrong—A. Was the fall.

Q. You never heard any report before that?—A. I never heard one single word as to the danger.

Q. Are you aware that some defect had become manifest before the accident?—

A. I saw there were defects in the report of the Royal Commission.

Q. That was the first you heard of it?—A. Yes.

Q. Now, Mr. Price, were you and your co-directors in Quebec at the time of the accident?—A. Yes—well, I can't say they were all there, I was there, I know.

Q. The others are all residents of Quebec, are they not?—A. Yes.

Q. Can you give us some idea of the financial position of the company to-day?—A. Well, it is an unknown quantity.

Q. But are you not in a position to give us some statement of its liabilities to-day, at the present moment?—A. The liabilities? If everything were carried out according to the existing legislation there would be about enough money to pay the obligations and to complete the work.

Q. But to-day, is it your opinion as a business man that there are enough assets to meet liabilities?—A. There were, I am speaking of conditions before the fall, of course.

Q. I am speaking of now, since the accident.

By the Chairman:

Q. Have you any money?—A. Practically nothing.

By Mr. Monk:

Q. Is there a large floating debt to-day?—A. No, I do not think so.

Q. You say there is not?—A. No, not a floating debt.

Q. What would be the extent of the floating debt to-day?—A. The floating debt is practically nothing.

Q. It has no liabilities outside the bond issue to-day?—A. No.

By the Chairman:

Q. Or what you might owe the Phœnix Bridge Company, whatever that is?—A. What we owe the Phœnix Bridge Company, but it is impossible to say whether that is a liability or not.

By Mr. Monk:

Q. Have the directors conferred among themselves with reference to that, have you had any sittings since the accident?—A. Several.

Q. And what is your position with regard to the Phœnix Bridge Company?—A. It is undefined.

Q. Is that company solvent to-day?—A. It depends upon where the liability rests for the fall of the bridge.

Q. If that liability exists would you call it a solvent company?—A. I am afraid they could not stand the blow, that is my own private opinion.

Q. Was the bridge insured at any time?—A. No.

Q. Is there any such a thing as insuring a bridge under construction?—A. I have heard there is some company does it, but in this case I do not know that there is such a thing.

Q. You never inquired?—A. You can do it with buildings, but I do not know if you can with bridges?

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Q. The Board never inquired as to that?—A. No, it was not the Board's liability.

Q. It was not the Board's liability?—A. No.

Q. Whose liability was it?—A. The Phoenix Bridge Company's.

Q. What was the extent to which the Phoenix Bridge Company had been paid upon its contract at the time of the accident?—A. Some \$3,000,000.

Q. What was the total amount of the contract?—A. It was difficult to say, they were paid so much per pound upon the metal that went into the bridge.

Q. You have had, therefore, an insurable interest in reference to \$3,000,000 of material that had gone into the bridge, that belonged to the company?—A. Yes.

Q. As to the terminals, are you able to say approximately how much has been spent upon the terminals, that is the railroad approaches to the bridge?—A. I think some \$700,000.

Q. On the approaches?—A. I think so.

By the Chairman:

Q. That is outside the piers?—A. Yes.

By Mr. Talbot:

Q. Is that in construction or for the purchase of land?—A. I think the last balance sheet shows that?

By Mr. Monk:

Q. Has there been any expropriation of land?—A. Yes.

Q. Do you know approximately what has been spent on land?—A. No, I do not know the total cost.

Q. Can you give any figure?—A. No, of course it goes into the cost of approaches.

Q. Can you tell me in whose name the approaches are vested, actually vested?—A. The Quebec Bridge & Railway Company.

Q. Are there none of these approaches vested in other names?—A. Not that I am aware of.

Q. Are there any options existing as regards property in the vicinity of the bridge?—A. No, I think not.

Q. Are you sure that there is no such thing as options existing?—A. Of money that the company have paid out?

Q. On any land approaching the bridge for the purpose of the bridge, any option?—A. By whom?

Q. That is what I am asking you?

By the Chairman:

Q. Mr. Monk wants to know if the company holds to-day any option on lands in connection with their undertaking?—A. The company, naturally, where they are making approaches get offers from people before they build, instead of expropriation they get offers from persons for the purpose before they proceed to expropriate.

By Mr. Monk:

Q. Do these offers exist to-day to your knowledge?—A. I do not know what exists to-day, but of course there have been offers, and where they were not acceptable the company has in every case gone to expropriation.

Q. Where would these offers be?—A. With the secretary.

Q. From the north end of the bridge towards Quebec are there any options at present in force in favour of the company or for the company?—A. I do not know what options are existing to-day, but all purchases are approved of by the Board.

Q. Do these purchases appear on the minutes of the Board?—A. Yes.

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By Mr. Barker :

Q. Did you make any inquiry on behalf of the Quebec Bridge Company as to the stability, financial and otherwise, of the Phoenix Bridge Company when you made the contract with them ?—A. Yes, we considered that they had been generally successful in all their undertakings.

Q. Did you make any inquiry into their financial position ?—A. Their financial position ?

Q. What was the capital stock of the company ?—A. I believe the capital is limited, I do not know exactly what it is.

Q. Their capital is limited, of course, what would you say it was, \$50,000?—A. Yes, a great deal more than that.

Q. \$100,000 ?—A. About half a million, but of course it was not altogether their financial standing, but their character—

Q. I am not speaking of their reputation as bridge builders, but as to their financial capacity for carrying out this contract. What did you ascertain as to their capital?—A. We understood that their capital was limited, but they were well supported by the Phoenixville Iron Company, an independent company, a very wealthy corporation.

Q. This bridge company that you contracted with was an offshoot of the Phoenixville Iron Company ?—A. Yes.

Q. The Phoenixville Iron Company was a concern that had various offshoots for undertaking contracts?—A. I do not know of any offshoot except the Bridge Company.

Q. That was one of them ?—A. Yes.

Q. You did not get any contract from the Phoenixville Iron Company ?—A. No.

Q. You took this allied company ?—A. Yes.

By Mr. Monk :

Q. Had you a report from any Mercantile Agency as regards the solvency and stability of this company?—A. Yes, we made general inquiries from bankers, I remember on one occasion Mr. Parent and myself were in Philadelphia, and we went to see Drexell & Co., bankers, and they spoke most highly of them, and they were the financial backers of the bridge company with whom we were then discussing the contract.

By Mr. Walsh (Huntingdon) :

Q. Was there a statement from R. G. Dun & Co. before the Board in regard to this company ?—A. I presume there was, I do not know that, but we made a personal visit to Philadelphia, and examined into their financial standing, and one of the greatest bankers in Philadelphia, Drexell & Co., spoke most favourably of their ability to carry out anything they undertook.

By Mr. Monk :

Q. Do you know where that report of R. G. Dun & Company is ?—A. No.

Q. Do you know that this company was organized for the purpose of building this bridge ?—A. No, it has been in existence for a good many years.

Q. Has it built any large bridges ?—A. Yes, a great many.

By the Chairman :

Q. It has built bridges all over the world, hasn't it?—A. Well, all over this continent, I know.

Q. Didn't they build a bridge in Africa?—A. Yes, I believe they did, on the Nile there.

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By Mr. Monk :

Q. Do you know anything about Mr. Szlapka?—A. No, except by reputation.

Q. Do you know if he designed the bridge himself?—A. I believe he did.

By Mr. Galliher:

Q. In speaking about the liabilities of the company, in answer to Mr. Barker, you stated, I think that you have practically no liabilities outside the liabilities on the bonds?—A. Yes.

Q. Did you take into consideration your Bank of Montreal account? Is there a liability, special account, or otherwise?—A. Well, if the bonds were all paid up and redeemed that liability would disappear out of the proceeds.

Q. That may be, but is there an existing liability with that bank?—A. Yes, there is one.

Q. Do you know the amount as to that, Mr. Price?—A. Some \$400,000, I think—not exactly.

Q. It is in the evidence that it is \$174,434.31; I merely wish to draw Mr. Price's attention to the matter, which I thought he had forgotten.—A. Yes.

By Mr. Monk:

Q. Do you know that there is \$174,000 due to the Customs Department of the Government?—A. Yes, but when I spoke of liabilities I thought you put it in the light, was there any liability accruing to the company that we had no assets to redeem?

Q. No, any floating liability?—A. Yes, but the floating liabilities would be wiped off by the realization of the bonds.

By Mr. Barker:

Q. If sold?—A. Yes, presuming they were sold.

Q. Do you not owe the government a very considerable sum?—A. I think the government owe us.

Q. Have not the government redeemed a certain portion of the Bank of Montreal claim?—A. Yes, but then the——

Q. Don't you owe them that money?—A. Well, we do, but there is an asset against it.

Q. What asset is against it?—A. The bonds.

Q. Which the government guarantee?—A. Yes.

By Mr. Chisholm:

Q. Leaving out the shareholders and the compensation to the directors?—A. Yes.

Q. The disbursements made to the directors were for the whole amount of their compensation?—A. Yes.

Q. Now, coming back to the meeting of the shareholders, was there no understanding or agreement between the shareholders and the directors that the compensation to the directors should be used in the manner that it was afterwards used?—A. All grants to the Board were seconded by vote of the shareholders, proposed and seconded at the annual general meeting.

Q. And the purchase or the buying of stock to the amount voted by the shareholders was a matter agreed upon amongst the directors themselves?—A. Entirely.

Q. And the shareholders did not suggest it, or make an agreement that it should be applied in that way?—A. No, the directors bought the stock entirely to help the finances of the company.

Q. You could have put that money in your pocket?—A. Yes.

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By Mr. Talbot:

Q. Have all the moneys raised by the company been spent for no other purpose than construction?—A. For the purpose of construction?

Q. Yes, are you aware that any of the money that has been raised has been spent for any other purpose than construction?—A. Oh yes, the general expenses of the company, of course, were paid out of that.

By Mr. Chisholm:

Q. That is practically construction? A. Well, if you include that in construction.

Q. Are you aware of any expenditure in any shape or form whereby any of the shareholders or directors or anybody else may have benefited improperly by it?—A. I can honestly declare that not one single dollar, to my knowledge, has gone out of this company to any source whatever except what has been told to this committee, and except it is perfectly legal in every way.

By Mr. Monk:

Q. Are you aware of a resolution passed at a meeting of the shareholders in which reference is made to the payment of moneys to your co-directors and yourself on the understanding that it is to be taken out in stock? Were you aware of such a resolution? A. Well, I do not know whether there was a resolution to that effect, but that was the understanding that we were to take stock for the amount of our fees.

Mr. CHISHOLM.—That understanding was amongst the directors?

By Mr. Monk:

Q. I am speaking about a resolution by the shareholders, you are sure there is no such resolution? A. No, I do not remember any such resolution nor do I remember it ever being discussed at any meeting of the shareholders.

Q. Or any resolution of the shareholders confirming any resolution of the directors in which that understanding is incorporated?—A. As regards the application of the fees?

Q. Yes?—A. No.

Q. Do you say none that you know of, or that there is no such resolution?—A. I am satisfied it was never discussed by the shareholders.

By the Chairman:

Q. But that was the understanding among the directors?—A. That was the understanding.

Q. At one time the company wanted to have another consulting engineer as an assistant to Mr. Cooper, didn't you?—A. Yes.

Q. And Mr. Cooper objected to it, did he?—A. Mr. Cooper said if a consulting engineer were appointed that he would resign immediately.

Q. He did not want to have any divided authority?—A. He said he was competent himself and did not want any one else there.

Witness discharged.

Committee rose.

The Committee resumed at 4 o'clock, p.m.

Mr. H. M. PRICE.—Mr. Chairman, I desire to make a statement before you proceed further in connection with my evidence this morning. I believe there was some little misapprehension as regards my answer to the question about the \$200,000, if the \$188,721 was paid out of the bonds. We had previously been speaking of \$188,500,

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and Mr. Barker had said he was only dealing in round figures, and I was thinking of the \$188,500 as being \$200,000, as he was speaking of round figures; I said it was absolutely paid out of the bonds; that was done but it was corrected afterwards by a cross-entry in the books. I would like the question to be read to me so as to be certain there was no mistake in my answer.

The CHAIRMAN.—I do not think there is any misapprehension, Mr. Price, I understood it that way and the other members of the committee so understood it.

Mr. PRICE.—Some of my friends were under the misapprehension that I had confused that \$200,000 stock subscription. I think I made the point clear that the \$200,000 stock subscription was absolutely paid in cash.

The CHAIRMAN.—Yes, you made that quite clear. It was first settled by taking something from the bond account, but it was afterwards transferred back. I think you made that quite clear.

Mr. MONK.—It is clear from the documents.

Mr. GASPARD LEMOINE, called, sworn and examined.

By Mr. Galliher:

Q. Mr. LeMoine, where do you reside?—A. At Quebec, sir.

Q. How long have you been living in Quebec?—A. Since I was born.

Q. What is your position there now?—A. I am a merchant.

Q. Have you ever been associated with other institutions in an official capacity?—A. I have been president and vice-president of the Quebec and Lake St. John Railway, a director of the Quebec bank and have been associated with other institutions as well.

Q. You are a director of this Quebec Bridge Company?—A. Also a director of the Quebec Bridge Company.

Q. How long have you been director of this bridge company?—A. Since the beginning, I think, since 1887.

Q. Since 1887?—A. Since the company was organized.

Q. That company was reorganized in?—A. 1897, I think.

Q. You were a director of the old company as well as a director of the new?—A. Yes, from the beginning.

Q. What was the condition of the old company at the time of the reorganization?—A. Well, the old company had been working with small capital and making every effort to induce the governments and the city corporation to come in line and help with the building of that bridge, and finally Mr. Price and I thought that if we could interest Mr. Parent, who was the then mayor of Quebec and premier of the province, and who had given so many proofs of his ability to do things, we might attain our end. We went to him and, as Mr. Price said, we got him to come in if we could secure promises of aid from the different governments, and he came in.

Q. And at the time of the reorganization had you anything? What was the financial condition of the old company?—A. No, the old company had spent whatever money was paid in—4 per cent was paid in on the old shares—and that had been expended in connection with the expenses and for surveys.

Q. Had you at that time any portion of the substructure constructed?—A. No, the substructure had not begun, there were different sites surveyed and these were approved of by the government.

Q. So that actually all the material and work in connection with the construction of the bridge was supplied and done after the reorganization?—A. Yes, all the actual work on the bridge was done by the new company.

Q. What interest have you in the company?—A. \$5,000 shares.

Q. A portion of that was money paid directly by you for shares?—A. The money was paid by me.

Q. There was some portion of it was paid directly by you for shares in the company?—A. Yes, I think so. I cannot answer that unless you finish the question.

Q. And the remainder of it was paid out of money you received for services as director, from the company?—A. I think it would be better to say that I paid the money and that I got so much as fees, because the fees were not paid all at the same time, some when the new shares were taken, and moreover when we got those fees there was no understanding with the shareholders that we were to take those shares. I considered it was my own money.

Q. But you did turn back into shares a certain amount of that money?—A. I did take some shares in the undertaking.

Q. All your charges are paid up in full?—A. They are all paid up in full.

Q. Now, I suppose you were present at the majority of the meetings of the board of directors?—A. Yes, I was present at most of the meetings.

Q. And you were in close touch with the business as it was carried on?—A. Yes.

Q. You knew the arrangement with regard to the employment of Mr. Cooper?—A. Yes.

Q. And did you, as a director, satisfy yourself as to Mr. Cooper's standing?—A. Yes, I was perfectly satisfied, we had different recommendations, and then the president and Mr. Price went to New York and they saw Mr. Cooper and we were generally satisfied he was the best man to be had in America.

Q. From enquiries you came to that conclusion?—A. Yes.

Q. Now what do you say as to the manner in which the affairs of your company had been carried on up to the time of this disaster—since the reorganization—up to the time of the disaster?—A. In a general way they were carried on in a businesslike manner, like any other company I have been connected with, and they were all honestly carried on.

Q. They were all honestly carried on?—A. Yes.

Q. And the moneys received, either from the sale shares or from other sources, was expended in what way?—A. All money received from the shareholders or from the different governments or the bonds was expended in the construction of the bridge and the running expenses of the company.

Q. You knew of the issue of the interim bonds to Mr. Davis?—A. Yes, they were issued according to the contract.

Q. What do you mean by the contract?—A. Well, there was a contract entered into with Mr. Davis for building the substructure; I think that contract is on file here.

Q. But that contract did not call for the issue of bonds as payment?—A. That contract called for 20 per cent in bonds to be taken at 60 per cent and they were to bear interest after completion of the substructure.

Q. At that time the company were indebted, as I understand it, to Mr. Davis in a considerable amount?—A. Not when the contract was made.

Q. The contract was made in the beginning?—A. Yes.

Q. And when did Mr. Davis accept these interim bonds?—A. He accepted them right along. They were to be paid on monthly estimates, I do not know if they were paid every month, but they were to be given out on a monthly estimate.

Q. What means had you of meeting the payments as they became due to Mr. Davis?—A. The subsidies paid 80 per cent, that is from the two governments, and the bonds paid the balance, and what money we had went to pay the running expenses and other things.

Q. Did Mr. Davis take the interim bonds to a greater extent than 20 per cent?—A. Greater than 20 per cent?

Q. Yes?—A. I do not think that he did unless—there were further works made later on, I could not say if he had more than his proportion of interim bonds on that. The debt was greater than first estimated and he had to go deeper and that increased the total amount; I could not say exactly how much he had.

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Q. Speaking of the bond transaction with Mr. Davis, and taking into consideration all the circumstances at the time, as a business man, what would you say, what is your opinion as regards the advisability of doing so by the company?—A. Well, first of all the company had not much choice, but we thought that Mr. Davis was rather liberal, he waived the interest for two or three years, which was so much to his loss, on these bonds, and then, when I saw later on that on the bonds endorsed by the government he could only get 8 per cent, his taking these bonds at practically about 75 was a good price for them.

Q. You thought that the price at which he took them, considering the price they were receiving for bonds of that nature, was very good?—A. Was very good, and his only security was that the bridge would be finished, and if it was not finished his bond, which was secured on these piers, would be of no value whatever.

Q. Have you any other experience in regard to other bonds of institutions with which you have been connected yourself?—A. Well, we have sold some Lake St. John bonds in England, but these were peculiar bonds, the interest on them was guaranteed for 10 years by the local government, and they sold at about 80, they bore the government guarantee for ten years.

Q. But bonds of this nature without any guarantee, simply bonds issued by the company, have you had any experience with them?—A. There was the Quebec Northern Construction bonds. I was interested in their behalf, and the price was fixed at 60, they were pooled, and they were not sold at 60.

Q. Were they offered at that?—A. We could not get a sale at 60, they were pooled and could not be sold at less than 60, later on they were changed, endorsed by Mackenzie and Mann, but then they were not sold at 60, I think their value was about 52 or 55.

Q. And were these original bonds?—A. They were first mortgage bonds on the road.

Q. But not guaranteed by anybody?—A. Guaranteed by nobody, but they were first mortgage bonds on that road.

Q. You say that you weren't interested in those bonds, were you?—A. I was interested in the Construction Company.

Q. And the price at which they were to be offered was fixed you say at 60?—A. At 60, they were pooled and we had the right to sell them at anything over 60.

Q. At anything over 60?—A. I think that was the proposition, 60 or over.

By Mr. Monk :

Q. I see from an answer given to a question put to the government on the 7th of March last in the Senate that you received from the company the sum of \$3,280.95, is that correct?—A. Well, I would say if it is given by the government that it is right, but I never added it. That would make, well, I suppose it is something like that.

Q. The \$5,000 interest you have at present is represented by that sum and the balance you paid in cash?—A. I do not admit at all it is represented by that sum.

Q. You don't admit that? Well, that sum was due?—A. Well, some of it was used in my own private expenses, more or less ordinary, I suppose, but it was not used to buy those shares.

Q. Are you prepared to tell the committee how much of these \$5,000 shares you purchased you paid for in actual cash, and how much represents what was allowed to you for your services in the company?—A. I could not say anything else but that I received so much in fees, and that I have so many shares paid up, but I cannot say how much went for this and how much went for that.

Q. Is it not a fact that the cheque you got at different times for these services was immediately handed back to the company for these shares?—A. I think it was twice, or perhaps about three times, but that was a small proportion of that \$3,000.

Q. It was not done every time?—A. No.

Q. Are you sure the shareholders were not a party to that arrangement?—A. Well I am sure as much as I can be, I am a member of the board, and I was at the meetings, and there was no talk about at all the meetings, I never heard tell about it.

Q. It was mentioned in the minutes of the Board?—A. I do not know whether it was or not.

Q. There is no doubt about it?—A. It might be, I do not know.

By Mr. Galliher:

Q. Was it mentioned in the minutes of the Board that they should do this, or that they would grant to the directors those fees?—A. No shares were granted to the directors.

By Mr. Monk:

Q. I find a directors' resolution on the 15th of January, 1902, whereby the directors agreed among themselves to purchase \$10,000 stock, the above amount to be allotted on the basis of attendance?—A. That was done after the money had been voted by the shareholders, that was afterwards.

The CHAIRMAN.—They could not vote it themselves, the shareholders would have to do that, that is all in the record and the record also shows how many shares each man got for it.

A. We agreed to do that to help the company.

By Mr. Monk:

Q. Then there is a resolution dated the 20th of October, 1903, by which the directors agreed among themselves to purchase \$5,000 stock with the condition that it be allotted on the basis of attendance and the following was the resolution—A. That is all right, that is the directors' meeting.

Q. I do not suppose they would have voted any money to themselves except under those conditions, would they?—A. Well, it is the shareholders voted it, it was not proposed by ourselves, the shareholders wanted to do it. Mr. Parent did not think then it should be voted, that is as far as I can remember.

By the Chairman:

Q. Did you have to devote much time to the business of the company?—A. We had occasional meetings, and we had to go there pretty often and see about things, and there was a good deal of property in regard to the expropriation of which some of the directors were called upon to investigate and report to the Board.

Q. Which would require considerable time?—A. Yes, time and insight.

By Mr. Monk:

Q. I understood you to say that according to the terms of the contract 20 per cent of the money due the contractor was to be paid by bonds at 60, and that is why I read the contract, this is the contract for the construction of the substructure?—A. Yes, the contract is here.

The CHAIRMAN.—That is in evidence here.

By Mr. Monk:

Q. Do you remember the date approximately of that contract?—A. Somewhere around 1900.

Q. Had the Board at that time made any effort to place its bonds anywhere?—A. No, no effort had been made. We inquired about the value of the bonds at the bank, but we thought it was much better to place them with the contractor.

Q. Was there no public steps taken to negotiate the bonds?—A. No, they were not negotiable at all—on a bridge that was not built.

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Q. Did you go to the United States at all in regard to making a contract or consulting with engineers with regard to the plans?—A. No, I never went to the United States.

Q. Had you any occasion to examine the plans yourself at any particular time?—A. We examined the specifications and I had a general idea, but I never examined the detailed plans, they were made later after the contract was given.

Q. Do you know if these plans came under the consideration of the government at the time the government began paying the million dollars subsidy?—A. Everything had to be submitted to the government before anything was done.

Q. And that was done?—A. It was done, I always understood it was.

Q. Do you know whether these plans came again under the consideration of the government when the bond issue for \$6,000,000 was floated?—A. I do not know if they were submitted the second time, but I know that they were submitted to the government.

Q. Did you have any knowledge at all, as a director, or warning of the accident? That is to say, what took place before the accident that led to the communications being had with the consulting engineer, Mr. Cooper?—A. I had none.

Q. Your co-directors and yourself are all residents of Quebec, I believe?—A. Well there is Sir Hugh Allan and there is the representative of the Quebec Central Railway.

Q. He does not reside in Quebec?—A. He does not reside in Quebec.

Q. Is Sir Hugh Allan a director?—A. Sir Hugh Allan is a director.

Q. Have you any knowledge, Mr. LeMoine, of the way in which the \$200,000 new stock stipulated for by the government in 1903 was taken up?—A. It was taken up, by these new shares being sold to different parties.

Q. Do you know if it was all taken up?—A. It was all taken up, yes.

Q. Was there a subscription book, to your knowledge, in which these shareholders signed their subscription of stock?—A. Well, I really could not say, but there must have been. There was a subscription book for the company.

Q. You did not take any of that new stock?—A. I took some at that time, I only had \$2,000 and I think it was increased then.

Q. Do you know if all that stock was fully paid up in cash before the bond issue was made?—A. Yes, it was all paid up in cash.

Q. Therefore you know that clause 4 of the agreement of the 19th of October, 1903, between the government and the Bridge Company reads as follows:—

‘The company will procure subscriptions for additional stock to the amount of \$200,000, such new stock to be issued at a price not below par and to be immediately paid up in full, the proceeds to be applied in the first place in the payment of the discount at which the bonds of the company were issued as aforesaid, to wit, the sum of \$188,721.’

You know that was done?—A. I know the money was subscribed, it appears that \$188,721 was first paid out of the proceeds of the bonds and then it was charged to that subscription; of course it was taken out of the funds of the company and it did not matter which account it was paid from, but the auditor came from Ottawa and he thought it should be paid out of our bank account, and that was done.

Q. To which auditor do you refer?—A. To Mr. Bell.

Q. That was the visit he made in 1907?—A. I am not quite sure which visit it was, it was quite lately.

Q. As a matter of fact do you know that part of that \$200,000 was not actually paid up until lately?—A. I do not know that.

Q. Do you know that the cheque of Mr. Davis for \$96,000 odd remained in the possession of the company for several years?—A. I knew that Mr. Davis had given his cheque for that subscription but I only knew quite lately that that cheque remained in the possession of the company without being cashed for some time.

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Q. Taking in view all that you have learned about that lately, as a business man would you be prepared to say that that clause, No. 4, which I have just read, was carried out?—A. I think so, the cheque was quite good because it was cashed.

Q. That is your reason for saying that the clause was carried out?—A. Yes.

Q. How do you know that it was good, was it an accepted cheque?—A. I don't know whether it was accepted, but I know that Mr. Davis' cheque is good.

Q. Now let me read another stipulation, it is clause 5 of that agreement :—

'When and so soon as the company shall have completed all the arrangements mentioned in the two preceding clauses and the proceeds of the said issue of \$200,000 stock shall have been paid in full to the company, the company shall be at liberty to issue such bonds, debentures or other securities as hereinafter provided, to an amount not exceeding \$6,678,200.'

[That being the case, and since you have learned that the \$96,000 cheque was only paid up long after the issue of the bonds, are you prepared to say, as a business man, that that clause was carried out?—A. And for the same reason, because I believe that cheque was money.

Q. But if you were told that the discount of the first bonds, the unguaranteed bonds amounting to \$188,721, had only been paid by the company out of the proceeds of the new bond, then would you be prepared to say that that part of the agreement had been fully carried out?—A. Well, really I do not see—

Q. I understand that the intention of the government was that the \$200,000 should be not only subscribed but paid up and applied to the extent of \$188,721 to the extinction of those first bonds, and the re-establishment of its capital, the extinguishment of that discount, and that having been done only out of the proceeds of the bonds, is it or is it not in your opinion that the provision of that clause was fulfilled?—A. I think the object was to re-establish that capital and I think it was attained, but of course, I think technically that was not done.

Q. Now as regards the waiver of interest by Mr. Davis to which you have referred, let me understand what it is. What was the interest that he waived in the first place?—A. The interest on those bonds, that is the interim bonds, from the date he was to receive them until the completion of the substructure.

Q. The bonds therefore on their face bore interest like all bonds?—A. Yes, the bonds on their face must have had that condition, I should think so.

Q. Did you say he waived that interest?—A. When he agreed to that condition he waived the difference between being paid in cash and taking the bonds in place of cash, money; when the tenders were asked they were supposed to be paid in cash as the work went along. Then we told Mr. Davis we could not pay cash, and we would pay him 80 per cent.

By the Chairman :

Q. Let me read this extract from Exhibit 30 : 'And the balance of 20 per cent shall be secured from time to time as said progress estimate is made by the delivery to the contractor of first mortgage interim bonds of the company (to bear not less than five per cent interest computed from the completion of said substructure) as collateral at sixty per cent of their face or par value, said bonds to be held by the contractor without bearing interest and not negotiable till his work is completed satisfactorily.'

Were the bonds ever lithographed, were lithographed bonds delivered or were they just typewritten?—A. I cannot say, I do not remember.

By Mr. Monk :

Q. Do you know when the bonds amounting, according to the face value, to \$472,000, were eventually taken up, Mr. Davis received the sum of \$29,000 odd in interest?—A. Yes.

Q. What was that interest?—A. Since the completion of the work until the moment he got his money, that is the way it was explained.

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By the Chairman:

Q. Until the bonds were retired?—A. Until the bonds were retired. I do not think those bonds were retired until about two years afterwards, that interest would cover about that much.

Q. Do you remember what rate of interest they bore?—A. The bonds?

Q. Yes?—A. Five per cent.

Q. But if he did waive any part of the interest in the final settlement he got of course the premium?—A. He got the 40 per cent certainly. He got full value, they were redeemed at par, that was the contract.

By Mr. Talbot:

Q. Did I understand you to say in your evidence that when the new company was organized you increased your holdings and took more stock?—A. Yes, all the directors did.

Q. Can you give us the reason for so doing?—A. Because the qualification was made \$5,000, and as we had to have \$5,000 fully paid up, we had to subscribe for more shares, because on the first subscription we had only 25 per cent paid up, but by the Act of Parliament we had to pay up the other 75 per cent in order to get the \$5,000 qualification, so that we had to buy more stock.

Q. Was that simply to comply with the new conditions or a mark of the increased confidence you had in the new company?—A. We had to comply with the new condition of affairs.

Q. But outside of that compliance with the new condition?—A. Well, I got a lot of my friends to subscribe at the time, and really we thought more of the advantage the bridge would be to the interests of Quebec and the Dominion than we were looking at it from a monetary point of view.

By the Chairman:

Q. I suppose that was the basis on which you all proceeded?—A. That is the basis I proceeded on, and that is the basis the others proceeded on.

Q. I suppose you naturally looked forward to the time when it would be financially profitable to you?—A. Well, we did look to that, because we had the estimates from the different railways of the traffic they could bring, in this way they were very favourable, however, they were in the distant future.

By Mr. Monk:

Q. Have you looked into the financial standing of the company since the disaster?—A. I have not gone into it.

Q. Has the board taken up that question?—A. Well, things are brought before the board at meetings and I have an idea how they stand, but I do not know the exact figures.

Q. Has a statement been made out and presented to the board?—A. A statement was made out and submitted to the board and sent to the government.

Q. Of its financial situation now?—A. Yes.

Q. When was that done?—A. Well, it was done after the accident.

Q. Without binding you to any figure, what is that financial position?—A. Well, we owe a certain amount to the Bank of Montreal, and we owe the Phoenix Bridge Company about \$260,000, \$160,000 of which represents the last estimate, and \$100,000 the drawback.

By Mr. Galliher:

Q. By the way, Mr. LeMoine, in carrying on this enterprise in the expenditure of money and all that, what do you say as to the way in which that was done? Was it done with the usual economy, generally speaking?—A. What is that?

Q. In carrying on the affairs of the company how was that done?—A. It was done like any other company, these monthly estimates would come before the board

with the report of the engineer and they would be approved of, all the different accounts that came were approved of by the directors and one government director; the government had three directors on the board and one of them would have to approve of every payment made. On several occasions we discussed accounts, and I know that in several instances the accounts were reduced; and things were done as they are usually done in any other company.

Q. In any other good company?—A. In any other good company—well, I have only been on good companies.

Q. Would they have to be certified by anybody before they were submitted for the directors' approval?—A. All accounts concerning construction were certified to by Mr. Hoare, the chief engineer. The other expenses were certified to by the secretary.

Q. And generally speaking you consider that the business of the company was carried on in a proper and businesslike manner?—A. Like any other good and well organized company.

By Mr. Monk:

Q. Do you know if the government had any engineer down there watching the work under construction?—A. I know that the government wanted to appoint an engineer and Mr. Cooper would not allow of it. He said that he bore the responsibility and he did not want to have divided authority, that he was able to have the work done in a proper way and he did not want to divide his authority with anyone. It was not in the hands of the company. He came up here, I think, himself, to discuss the matter with the government, and they seem to have been satisfied because they dropped the matter.

By Mr. Galliher:

Q. Who, by the way, has been chairman of the board since reorganization?—A. Mr. Parent has been the chairman ever since reorganization.

Q. What was his standing with the other members of the board?—A. The board always acted as a unit, we were all of one mind, that is to do the best we could.

Q. How do you regard Mr. Parent as chairman?—A. We elected him unanimously and went for him to get him to come on the board.

Q. And after you had been associated with him on the board did you regard him as an able chairman?—A. We regarded him as the best man we could have on that board, and every one on the board was quite pleased with the way in which he did his share of the work.

Q. You were pleased with the way in which he did his share of the work. I suppose a great deal of the work devolved upon the chairman?—A. Naturally, and that is why we decided to divide those fees the way we did, because we thought he did his share of the work.

By the Chairman:

Q. Why didn't you make Senator Landry chairman?—A. He would not stay in the company.

By Mr. Galliher:

Q. How did the board consider the chairman's action in regard to the steps he took to secure an efficient engineer?—A. Every step he took was submitted to the board and approved of. He went to a great deal of trouble, he went over and over again to New York and to Phoenixville, and came to Ottawa and went elsewhere, he went to a great deal of trouble.

By Mr. Monk:

Q. At whose request did you attend before this committee?—A. I was told by Mr. Barthe I was expected to appear here to-day.

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By Mr. Talbot:

Q. You were in the old company?—A. Yes.

Q. How long was the company organized before reorganization took place?—A. Some years.

Q. Was any progress made under the old company?—A. Well, progress was made with the different sites that were acquired.

By Mr. Monk:

Q. I want to ask you regarding the reorganization certificate. The reorganization was made probably with the object of having among the directors of the company some persons who would have the ear of both the federal and provincial governments, is not that a fact, some one who would be able to get the ear of those governments?—A. That was a factor, but that was not the principal factor, we wanted the work done.

Q. I think I heard either you or Mr. Price, state that Mr. Parent, being the mayor of Quebec and prime minister of the province, for that very reason, and as you wanted the co-operation of these bodies, it was thought desirable to have him on the board?—A. I said it was a factor, but I also add that Mr. Parent, by the work he had done for the city had shown that he was the most able man to work out the enterprise.

Q. Is it not a fact that many of those who formed the board of the old company withdrew for the reason that they felt their presence there would be an obstacle rather than a help to the company in its negotiations with the three governments for subsidies?—A. I do not know the reason they had.

Q. You never heard of that reason?—A. I never heard of that.

By Mr. Talbot:

Q. You remained in the new company?—A. Yes.

Q. That had no influence with you, the fact that there was a change in the organization?—A. It was I brought it about, I considered it a favourable change.

By Mr. Galliher:

Q. There is one question I forgot to ask you. All the moneys received, either by the sale of shares or from subsidy, or from the sale of bonds, or from any other source that came into the treasury of the company, was that money disbursed in any way other than in the payment of actual work in connection with the construction of the bridge?—A. I do not know of a cent being paid otherwise than towards the construction of the bridge or the expenses of the company. There was no subscription of any kind, not even to a charitable institution, nothing was done, every cent went into the enterprise.

By Mr. Chisholm (Antigonish):

Q. It has been alleged publicly that at the time the agreement was entered into between the government and the Quebec Bridge Company in 1903, that the Quebec Bridge Company was absolutely in an insolvent state, what have you to say to that?—A. Well, it had no debts, but it had very small capital.

Q. Would you say it was insolvent?—A. No, it was not, because it owed nothing.

Q. It had assets?—A. There were certain assets.

Q. Was it anything like insolvent?—A. It owed nothing.

Q. Representing the expenditure?—A. The expenditure on the different plans made up to that date.

Q. Out of the moneys received from the provincial government?—A. That was in 1903, it had assets, this money had been expended before that.

Q. It was not correct to say that it was absolutely insolvent?—A. Certainly not.

By Mr. Talbot:

Q. How do you consider the state of the company in 1903 as compared with 1907—comparatively?—A. The company had made a great deal of progress in 1907.

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By Mr. Chisholm (Antigonish):

Q. There was a certain amount of money voted for the remuneration of directors, do you consider that compensation was reasonable for their services?—A. Yes.

Q. From your knowledge of the salaries and the compensation paid directors on other enterprises of large magnitude would you say that the amount paid to these directors was excessive or otherwise?—A. I would say it was reasonable.

Q. With regard to the salary paid to Mr. Parent, \$2,500, I think it was, do you consider that his services were worth that?—A. I consider his services were worth more than that.

Q. And if he were a director of a similar institution, what then?—A. I think if the company had the permission of the government he would have a higher salary.

Q. You stated that payments would be made Mr. Davis on monthly progress estimates, what percentage of the estimate was paid him?—A. I think 10 per cent drawback was kept.

Q. I see it is stated he was to be paid 40 per cent?—A. 40 per cent coming from the federal and 40 per cent coming from the other subsidy. But from the total estimate there was first deducted the drawback, and then it was divided in that way.

By Mr. Monk:

Q. The company on the 15th of October, 1903, had a floating debt of \$17,000?—A. I made a mistake when I said it had no debt, no doubt I thought you meant 1907. In 1903 the construction had begun and it had a floating debt.

Q. Of \$779.50?—A. That floating debt was represented by the work, you know.

Q. What were the assets for it?—A. The works.

Q. Such as it was in 1903?—A. Certainly.

Q. And they had a floating debt against it?—A. They had a floating debt against it. I do not know what it was, I could not say.

Q. Have you any doubt that under these circumstances the company was not able to meet its obligations, because that is what Mr. Parent said himself in his letter to the government of the 14th of October?—A. I made a mistake. I understood it was in 1907, but in 1903 they had assets, but they had further liabilities which they could not meet, they had to continue the work and they had nothing to meet it.

Q. At the present moment, if nothing is done, I suppose you have no doubt whatever that the country will have to meet this guarantee without any recourse whatever, there is no doubt about that?

Mr. GALLIHER.—Who will?

Mr. MONK.—The country, the government.

Mr. GALLIHER.—You had better ask that question.

By Mr. Monk:

Q. What is your opinion, have you any doubt on that point?—A. The Dominion has endorsed the bonds and they will have to pay the bonds.

By Mr. Galliher:

Q. You mean if no further progress is made on the bridge?—A. If the thing is dropped, that is what I understand.

By Mr. Monk:

Q. Do I understand you to say, as suggested by Mr. Parent, that if the government would release that clause in the agreement by which they have reserved the right to take over the bridge the company could finance the scheme now, is that your opinion?—A. Not without the aid of the government.

Q. Therefore, as the matter stands now there is no doubt whatever in your mind that the government will have to meet this guarantee, the bridge company will not meet it?—A. That is my opinion.

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By Mr. Galliher:

Q. You are not speaking now, in answer to that question, of any recourse that may be had against those who are responsible for the accident?—A. No, I am not taking that into account, that is an uncertainty.

Q. What is your opinion, as a shareholder, as to the bargain made between the government and the company in 1903 in guaranteeing those bonds, and their attitude at that time?—A. Of course the shareholders, as I said before, having first in view the building of the bridge, were pleased very much to see the government endorse those bonds, and in another sense there was the fear that the government would take over the enterprise and that we would lose a great deal of the pleasure of being able to say that we had been able to complete such a big enterprise, and also that if there was any profit later on in the working of it we would not have it.

Q. Do you think it was a good or a bad bargain on the part of the government, from the government standpoint?

By Mr. Chisholm (Antigonish):

Q. In the interest of the public do you think that the bargain made by the government in 1903 was a good one?—A. I think it was.

By Mr. Monk:

Q. And for whom, sir?—A. For the public, because they got the work done at a reasonable price by people who were very much interested in bringing the enterprise to completion.

Q. I understand the question put to you by Mr. Chisholm is, was not this a case of good investment?—A. No, if it was in the public interest, I was asked.

By Mr. Chisholm (Antigonish):

Q. In the public interest generally.

By Mr. Talbot:

Q. You might go further, as a business man do you think the government made a good business transaction in guaranteeing those bonds in 1903? Do you think it was a good business transaction on the part of the government?—A. I think it was the best transaction they could undertake to insure the building of that bridge.

By Mr. Monk:

Q. Do you say that from a public standpoint?—A. From the government standpoint.

By Mr. Galliher:

Q. Had there not been any accident you would still think the same?—A. Had there been no accident I still believe the bridge would be a paying enterprise, and I believe that it still may become a paying enterprise.

Witness discharged.

THOMAS McDougall, called, sworn and examined.

By Mr. Galliher:

Q. Mr. McDougall, you live at Quebec?—A. Yes, sir.

Q. You have lived there a number of years, I presume?—A. Yes.

Q. What is your present position?—A I am general manager of the Quebec Bank.

Q. Had your bank, or you yourself, any connection with those interim bonds for \$472,000?—A. Yes, we had possession of those bonds.

Q. Do you know anything about the terms of Mr. Davis' contract with the Bridge Company?—A. Well, I have seen the contract but not very lately. We have it in our possession now.

Q. You, no doubt, would have it at the time you took these bonds and became trustees of the bonds?—A. Yes.

Q. What do you say with regard to the value of those bonds, the value at which they were handed over to Mr. Davis, 60 per cent?—A. Do you mean my opinion as to what they would be worth, looking at them now, or what they were then?

Q. Just as they were then, at the time they were given?—A. Well, I have a copy of this bond, this bond was an interim first mortgage bond, there was no mortgage, you understand.

Q. No?—A. There was an agreement to give a mortgage which bore interest, at least the bond for which they were to be exchanged was to bear interest at 5 per cent; it, itself, bore no interest, it was the bond of the company, not negotiable. Do you want to know what anybody would have bought that bond at?

Q. Will you, as a bank manager, probably dealing in these matters, tell us what you think about it?—A. Of course when we took this bond from Mr. Davis we took it as collateral security for his account which was a running account with us for the construction of the bridge. We did not go minutely into the exact value of it, Mr. Davis handed it to us and told us he had a good contract and we knew that he knew his business well.

Q. You are hardly going along the line that I meant?—A. I wanted to show you our reasoning in the case, that we were not putting an exact value on this, as if we were lending simply against the bond, because we had confidence in Mr. Davis. At any rate looking at it now, I know he took these bonds at 60 cents on the dollar because we got paid in bonds for 20 per cent of the estimate, we received bonds on his account for 20 per cent of his estimate.

Q. Give us your opinion as banker, for Mr. Davis?—A. As banker I think he took very considerable chances on these bonds.

Q. As a banker you think he took very considerable chances in taking those bonds on his contract?—A. Yes.

Q. Do you think that price could have been obtained in the bond market for them?—A. Never.

By Mr. Talbot :

Q. You have studied this question of the guaranteeing of the bonds by the government in 1903, have you looked into the matter?—A. Well, those bonds that we had, you know, were redeemed about—I do not know the exact date—but about 1904 by the government and then we were out of the transaction.

Q. From what you know as a business man, outside the transaction in your bank, from what you gathered and what you know do you think the government made a bad or a good deal in guaranteeing those bonds and getting all the assets of the company?—A. Of course if the bridge had remained in the position it would have been fair enough, I think, but it is very hard to say what kind of a deal it is now.

Q. Apart from the accident, of course you could not have foreseen that, what kind of a bargain do you think it was? Was it the best that could have been made at the time?—A. I think so.

Mr. JAMES G. SCOTT, called, sworn and examined.

By Mr. Gallihier :

Q. Where is your residence, Mr. Scott?—A. Quebec.

Q. You are vice-president of the Great Northern Railway, are you?—A. No, I am general manager of the Quebec and Lake St. John Railway.

Q. That is a local road in the province of Quebec, entirely within the limits of the province, running some 200 miles?—A. About 300 miles now.

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Q. Have you, or your company, had any experience in connection with the flotation of bonds, railway bonds?—A. Well, yes, I was also general manager of the Great Northern. I built both roads, about 500 miles in all—300 of the Lake St. John and 200 of the Great Northern. I have had some experience in connection with bonds and debentures.

Q. From your experience in connection with bonds what do you say with regard to the turning over of these bonds at 60 per cent of the face value to Mr. Davis as was done under the contract between the company and Mr. Davis?—A. I only know of this transaction from what I have heard here to-day.

Q. Well, I mean take the bonds, take what you have heard with regard to the bridge itself, and what you have heard about the bonds being turned over under the circumstances under which they were taken over, and then speaking as a man with experience as to the value of the bonds under certain transactions and conditions, what do you say with regard to this transaction between the company and Mr. Davis?—A. I think Mr. Davis took considerable risk.

Q. And as to the value, 60 per cent what do you say as to that?—A. I think the value is a reasonable one, seeing that the bonds did not bear interest until after the completion of his work.

Q. And do you base that opinion as well upon the experience that you may have had yourself in connection with the flotation of bonds?—A. Yes, I do.

Q. I do not wish to enter into the private affairs of yourself or company in any way, but that is your opinion?—A. Yes.

By Mr. Talbot:

Q. As a man who has had considerable experience in railway matters do you consider that the prospects of the bridge and the business that could be obtained, were such that the investment would be a good one, once the bridge is completed?—A. Yes, I do; I have always thought so.

Q. That is your opinion?—A. Yes.

Q. Had the accident not happened do you think that the government made a good bargain to guarantee the bonds and take over all the assets of the company as they did in 1903?—A. Yes, I think so.

Q. Have you any personal interest in the company?—A. Well, I am a small shareholder in the company. I took \$1,000 of stock to help it along.

Q. You never formed part of the board of directors?—A. No.

Q. And as a shareholder you are satisfied with the conduct of the affairs of the company since the reorganization?—A. Entirely so.

Q. Are you satisfied with the management, and are the shareholders satisfied with it?—A. Yes, entirely so.

By Mr. Monk:

Q. In your experience as a railway man have you knowledge of any case where you have defrayed the cost of construction by handing over in payment, bonds at a discount? Has it ever come under your observation personally?—A. What is the question?

Q. Have you ever, in paying for the construction of any railway with which you have been connected, handed over bonds in the way in which they were handed over in this instance, to the contractor for construction?—A. Yes, I have known such cases.

Q. Can you give any instance in which bonds were handed over as in this case?—A. Well, the Great Northern Railway paid its construction company in bonds at a discount.

Q. At what discount?—A. Well, I cannot remember the exact figure, but I think it was in the neighbourhood of 55—that is at a discount of 45, 55 per cent of the face value.

Q. In a case of that kind, speaking as a business man, as you are, would you say that if the company had subsequently redeemed its bonds it would be a good busi-

ness to pay the contractor the face value of the bonds?—A. Well, if the bonds were not collateral, if they were the contractor's property, I do not see how you could avoid it.

Q. I put it to you in this way: are you familiar with the operations that took place in this case, that the government offered to assist the company by guaranteeing its bonds for over \$6,000,000 provided the company itself found sufficient stock to pay the discount. Are you of the opinion that in making that arrangement the government did a prudent thing? You understand my question?—A. Quite so.

Q. The government said, 'We will guarantee your bonds for six million and some odd thousand, provided you will find sufficient stock to cover the discount on your own bonds,' is that a wise provision?—A. It looks to me as if it showed the desire of the government to have the company in a stronger position to give better evidence of good faith.

Q. Now, in the carrying out of that provision would you consider it to be evidence of good or bad faith on the part of the company——

The CHAIRMAN.—That is not fair to put that question that way, Mr. Monk.

Mr. GALLINER.—More especially as there is a definite line of cleavage there whether they did or not.

The CHAIRMAN.—That is a matter of law, whether they carried out the provision of the contract, that we can discuss with ourselves.

By Mr. Monk:

Q. I am putting a hypothetical case to the witness, that under a certain condition of affairs does he consider that the company not carrying out to the letter that part of its agreement is doing good or bad business?—A. I understand, from the evidence, that the company did carry out that part of it.

Q. That is not borne out by the evidence?—A. I have been listening to the evidence all day and I understand that it did carry it out.

Q. Supposing that it had not, would you be of the opinion that the agreement had been substantially complied with supposing that instead of supplying the \$200,000 of stock which was destined to cover the discount, that the company had not done so prior to the issue of the guaranteed debentures, would that have been a business-like way of conducting the transaction?

The CHAIRMAN.—What do you want to ask the question that way for?

By Mr. Monk:

Q. I put the question; if it is not a proper one, Mr. Chairman, you can rule it out. I think it is. I do not know if I make my meaning plain, Mr. Scott, but I say that the government having come to the assistance of the company and having declared that it would endorse these bonds, provided money was found to cover up the discount on the bonds; if that is not carried out, is it the opinion of the witness that the substance of the agreement was complied with?—A. If the company broke their agreement with the government I should think the government would have their recourse against them, but I do not see from the evidence that I have heard that they did break their agreement.

Q. You can judge from the evidence that you have heard to-day?—A. Yes.

Q. And from that evidence you consider that that agreement has in every respect been absolutely complied with?—A. I think it has been, fairly so.

By Mr. Talbot:

Q. Did you think so before you heard this evidence?—A. I did not know anything about it until I heard this evidence.

By Mr. Monk:

Q. At whose request did you appear before the committee?—A. Mr. Barthe, the secretary of the company asked me to come here.

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The CHAIRMAN.—Mr. Parent gave the names of a number of witnesses on the last day the committee met.

Mr. MONK.—Yes, but some gentlemen seem to be of the opinion that it was ourselves that brought them before the committee, and I am not aware of that, I did not ask for them to come here.

The CHAIRMAN.—The meeting adjourned to meet again at my call and when I saw Mr. Parent the other day I told him he could get his witnesses here to-day, that is the way it happened.

By Mr. Monk:

Q. Do you know anything about the present financial position of the company in detail at all?—A. No, I do not.

Witness discharged.

Hon. JOHN SHARPLES, called, sworn and examined.

By Mr. Galliher:

Q. Mr. Sharples, you are a resident of the city of Quebec, are you?—A. Yes, sir.

Q. What is your present calling or occupation?—A. Merchant.

Q. Are you connected with any bank in any official capacity?—A. President of the Union Bank.

Q. You are also in the Legislative Council there, are you not?—A. Yes.

Q. You are also connected with a newspaper, you are a man of prominence there?—A. I am president of the *Morning Chronicle* Company.

Q. And a director of this bridge company? Now you have been a director since 1903, have you?—A. 1904, I believe.

Q. Since 1904?—A. I think so.

Q. To what extent are you a stockholder in the company?—A. I had \$50,000 originally and I sold some 230 shares since.

Q. You originally had \$50,000, was that all paid-up?—A. You have the cheques before you here.

Q. Yes, but I am just merely getting it on the evidence, I understand it is all paid up, I want to get the evidence consecutively?—A. Yes, all paid up.

Q. Who was it urged that you should go on the board of directors, was it Mr. Parent?—A. He is chairman.

Q. And as a business man, and as a man of experience in many matters as you appear to be, what have you to say as to the manner in which the business of this company has been conducted since you came on the board of directors?—A. As far as I could see it was always well conducted and I must say that one of the reasons that I took such a keen interest in the enterprise was due to the fact of Mr. Parent having the management under his control, and I may say that when Mr. Parent was made chairman of the Transcontinental Commission he tried on two or three occasions to get relieved from the chairmanship of the Bridge Company and the board were all decidedly opposed to any change.

Q. The board then had the utmost confidence in Mr. Parent's ability and honesty in administering its affairs?—A. I have.

Q. You as a member of the board have. With regard to the expenditure of moneys out of the treasury of the company in connection with its undertaking, what have you to say as to that, Mr. Sharples?—A. Well, the expenditures as far as I can see were all correct.

Q. And were made in a businesslike way?—A. All the engineering accounts are certified to by the engineer, Mr. Hoare. And all the smaller accounts are all certified to by the directors before they are passed by the board.

Q. You have heard Mr. LeMoine's evidence, Mr. Sharples, with regard to the conduct of the affairs of the company; generally speaking do you confirm that evidence?

—A. Yes, since I have been connected with the board, I know nothing antecedent to that.

Q. Since you have been a director; I should have limited my question to that, that is right. Now about these interim bonds, what is your opinion of that transaction?—

A. I was not a director at the time, I knew nothing about it, I wasn't in the company at the time, not even a shareholder.

Q. But as president of the bank, you would, no doubt, in the course of your business transactions, your bank would no doubt be the holders of bonds, probably purchasers, or are you ever purchasers of bonds?—A. Of course, at times.

Q. From your general business experience what do you say as to the value received by the company for those bonds, and the amount at which they were turned over?—A. I presume you mean 60.

Q. Under the conditions as you know them to have existed?—A. I think they got full value for them.

Q. You believe they got full value for them?—A. Yes.

By Mr. Talbot:

Q. Did I understand you to say that you entered the company in 1904?—A. Yes.

Q. Before that time were you approached and asked to subscribe to that company at any time?—A. No, not before that; it was at the reorganization.

Q. And when you went into it you were perfectly satisfied to invest the amount of money you did in it?—A. I was perfectly satisfied.

Q. So far you were confident?—A. Certainly.

Q. And nothing has happened since that to shake that confidence?—A. In whom?

Q. As regards the Quebec Bridge Company?—A. Nothing except the unfortunate collapse.

Q. We bar that out?—A. And if it had been built by the government it would have been in just the same position as it is there to-day.

By Mr. Galliher:

Q. Or if it had been built by any other company?—A. Or any other company. The fault, if you will allow me to say it, gentlemen, was with the plans, the engineering plans.

By the Chairman:

Q. A fundamental error in the design?—A. Yes.

By Mr. Galliher:

Q. There is one question I would like to ask you, Mr. Sharples. What bearing, if any, would the financial position and condition of the Quebec Bridge Company have on the present status of the bridge?—A. The condition of affairs?

Q. Yes?—A. Nothing at all.

Q. None whatever?—A. No, not at all.

Q. No matter how much the bank account was, it would not have had any effect whatever?—A. It would not have held up the bridge.

Q. My object in asking the question was if by any financial stringency, or the lack of a large paid-up capital, or anything like that, the fact that they were hampered in any way, if they were hampered, would that have anything to do, in your opinion, with the present condition?—A. No, they were not hampered.

By the Chairman:

Q. You did not have to retrench in such a way that the efficiency of the bridge was impaired; you tried to get a good bridge?—A. All these contracts were made before I was a member of the board of directors.

Q. But the construction proceeded after you became one?—A. Certainly, that had nothing to do with it.

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Q. I mean you did not favour a cheaper bridge by reason of limited capital?—

A. There were no alterations, there were no alterations made since the contracts were entered into. There was no cheeſeparer attempted at all.

By Mr. Monk:

Q. The \$50,000 that you took in what we call the new stock, did you intend it to be personal, for yourself?—A. Certainly, I got the stock, subscribed for it, and the certificates were issued in my own name, and I hold them in my own name, excepting the 230 shares I sold to another railway company.

Q. Yes, but the question I wanted to ask you was whether at that time you contemplated keeping the whole of that stock for yourself?—A. Certainly.

Q. You said, Mr. Sharples, that the cause of the collapse of the bridge was a fault in the design?—A. That is my opinion, sir.

Q. And the same thing would have happened if the government had constructed it?—A. Yes, or anybody else.

Q. Perhaps the government would have adopted another design?—A. Oh, well, Mr. Monk, I am going on the presumption that they would have followed out the plans they approved of.

Q. You are going on that assumption?—A. Well, these plans were approved of.

Q. Who is responsible, in your view, for that design?—A. Mr. Cooper.

By Mr. Talbot:

Q. Do you think if the company in 1903 had been insolvent, as has been rumoured, you would have invested your \$50,000 if you had been aware of that fact?—A. I am not such a fool.

By Mr. Walsh (Huntingdon):

Q. You became a shareholder subsequent to the legislation of 1903?—A. After the legislation of 1903, when the government guaranteed the bonds.

By Mr. Monk:

Q. Would you have invested had this arrangement of 1903 not been made?—A. No.

Q. Nobody stated, as far as I am aware, that the company was insolvent after that agreement was made.

Mr. CHISHOLM (Antigonish).—It was that the government had made an agreement with an absolutely insolvent company, that was the idea conveyed.

By Mr. Monk:

Q. Did you have occasion, as a business man, to look into the company before this agreement was made?—A. No, I had no interest.

Q. Your interest was confined to the company after the agreement was made?—A. Yes.

Q. Has the company had occasion to look into its financial situation since the disaster?—A. As I mentioned, I had been away when it took place, and I was away for a month afterwards.

Q. Do you know that a statement has been forwarded to the government?—A. To the government?

Q. In regard to the financial condition of the company?—A. I cannot answer that.

Q. You have not seen that statement yourself?—A. No, I have not.

By Mr. Chisholm (Antigonish):

Q. What do you say, as a business man, regarding the contract entered into between the government and the company? Do you consider it a prudent one, or otherwise, under the circumstances?—A. Do you mean the agreement of 1903?

Q. On the part of the government, the agreement of 1903?—A. I think it was a very good arrangement, and I will give you my reason: because the bridge would have

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been built with more expedition and perhaps a little closer attended to than it would have been as a government concern.

By Mr. Talbot:

Q. Did you consider the bridge undertaking as a paying undertaking once it was completed?—A. Well, it is a little difficult to answer that; but from all the statistics we had before us we had every reason to believe that the traffic would warrant the construction of the bridge and that it would pay a return on the investment.

Q. So that, after all, you do not consider that the government was taking such a big risk?—A. Such a big risk? In what way?

Q. In guaranteeing the bonds of the company?

Mr. MONK.—I do not think that question arises here, or that we are called upon to investigate that; it is not in the reference.

Mr. GALLIHER—Yes, all the conditions under which the government acted in guaranteeing the bonds.

The CHAIRMAN.—I understand that you are questioning the propriety of that arrangement in 1903, and that is relevant.

By Mr. Talbot:

Q. That is what I want to find out from Mr. Sharples as a business man, if he thought that eventually, after the construction of the bridge, the traffic would be sufficient to pay the running expenses, and probably a profit?—A. The running expenses and a profit—you mean to pay interest on the bonds?

Q. Yes?—A. Oh, yes.

By Mr. Galliher:

Q. And in addition to whether it might or might not be actually a paying proposition, was it a work that, in your opinion, as a business man, should have received encouragement and aid from the government, or is it a work of such national importance?—A. Certainly it is, there is no question about that.

By Mr. Monk:

Q. What has led you, Mr. Sharples, to the conviction that it was a fault in the design that was the cause of the disaster to the bridge?—A. The report of the commissioners; personally I know nothing about it.

Q. Do you suppose that if the commission had gone fully into the matter of the design and the plans, before the plans were finally adopted, it would have been a safeguard against the accident? Don't you suppose that, since they found the defect to be in the design by their examination of the plans?—A. No, Mr. Monk, you know we are all very wise after the event.

Witness discharged.

Mr. P. B. DUMOULIN, called, sworn and examined.

By Mr. Galliher:

Q. You are a director of this Quebec Bridge Company?—A. Representing the government, one of three.

Q. What is your profession or occupation?—A. Bank manager.

Q. Of?—A. Molsons Bank.

Q. In the city of Quebec, that is where you reside?—A. Yes.

Q. What were the duties assigned to you by the government in connection with this Quebec Bridge Company?—A. We were appointed by the government to represent them, but we had exactly the same status as the other directors—we were not bound to any qualification as to stock.

Q. You are not a stockholder?—A. I subscribed \$1,000.

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Q. You took a little interest in it yourself; and your duty was to attend the meetings as an ordinary director and supervise?—A. And more particularly to check all the accounts.

Q. And you did attend the meetings, most of them?—A. I must have attended over 80 per cent of the meetings.

Q. How long have you been manager of the Molsons Bank?—A. Going on ten years now.

Q. And I suppose you had other business experience before that as well?—A. Well, I had been manager before of the People's Bank for ten years in Quebec.

Q. For how long?—A. Ten years.

Q. So then you have had twenty years' experience as manager of banks, and you are now acting as one of the directors appointed by the government?—A. Yes.

Q. What is your opinion as to the way in which the business of this company was carried on?—A. Well, I think it was carried on very economically and very honestly, and on the best methods that could be followed.

Q. And with what end in view?—A. To carry to completion the work at the lowest expense and to the best advantage possible.

Q. Did you find that the funds of this company were being expended in the proper direction at all times?—A. I did.

Q. Do you consider that the sums voted to the directors for their services by the shareholders were legitimate?—A. I do.

Q. And that they were within the mark?—A. I do.

Q. As to Mr. Parent's services, what have you to say in regard to them?—A. Well, Mr. Parent wanted to resign when he was made chairman of the Transcontinental Commission, and we all felt that we could not dispense with his services, and not only his colleagues on the board, but also the shareholders felt the same way. And later on, again, after the collapse of the bridge, we had our annual meeting, and then again he thought possibly someone else should take charge, but the shareholders and his colleagues again objected.

Q. So that he retained the confidence of the shareholders and the directors of the company throughout, and still holds it?—A. Absolutely.

Q. You have some idea, I suppose, in a business way, as to the value of bonds, &c.?—A. Well, I have, you see I am a director of the savings bank in Quebec, and we hold over \$6,000,000 of bonds of all kinds.

Q. You understand about these bonds that we have been speaking about, interim bonds?—A. I do.

Q. Do you know the arrangement between the company and Mr. Davis with regard to the acceptance of certain of these bonds in payment of the work of construction?—A. Of course, that was before my time.

Q. But you have knowledge of them?—A. Yes, I have.

Q. What do you say as to the act of the directors in turning over these bonds at the price they did to Mr. Davis under the conditions that existed?—A. I am absolutely convinced that the bonds had no commercial value of any kind; I mean that they were not saleable on the market.

Q. They would not be saleable bonds?—A. They could not have been sold on the market, and only Mr. Davis, who had faith in the enterprise, and who knew more than any one else, could take those chances that he did take.

Q. So you think that the arrangement by the company was what you would consider a good business arrangement?—A. The very best that could be made. I know that later on when we had to borrow money from the Bank of Montreal on bonds that were secured in principal and interest by the government we only could borrow up to 80 per cent.

By Mr. Monk:

Q. When did you become a director?—A. In January, 1904.

Q. What is the amount of stock you now hold?—A. Well, I sold my stock when I was made a director in order to be disinterested, being there on behalf of the government.

Q. You sold your stock?—A. I wanted to have no personal interest in it from that time.

Q. Did I understand you to say that you sold your stock when you became a director?—A. After I was appointed, but before I acted as such.

Q. You had stock when you were appointed?—A. I had subscribed for \$1,000, yes.

Q. And you sold it?—A. I disposed of it then.

By Mr. Galliher:

Q. I understand you disposed of your stock?—A. As soon as I was appointed.

By Mr. Monk:

Q. Did not the company vote you some money as director?—A. As director, yes, but not to myself more than to any others. I shared with the others to the extent of \$500 a year.

Q. Amounting in total to \$2,000?—A. I could not say exactly; that is since 1904.

Q. And this amount was converted into stock?—A. No.

Q. It was not converted into stock?—A. No.

Q. You took the amount in cash?—A. Yes.

Q. And it was voted at the same time as the vote to the other directors?—A. Yes, by the shareholders.

Q. Have you, Mr. DuMoulin, from time to time while you acted as director to the Bridge Company, made reports to the government?—A. No, I did not. I had occasion to speak to some of the ministers, but I did not make any regular official report.

Q. Since 1904 you have not made any official report?—A. No.

Q. Have you made any report since the disaster?—A. No.

By Mr. Galliher:

Q. I am advised—I think you made a certain statement that the shareholders voted the moneys that were paid to you as director; I am advised it was voted by the directors?—A. I am sure that the shareholders voted to the board a certain amount annually.

Q. But did the shareholders vote this amount to the board after 1904, or did the directors settle it themselves?—A. No, I think it was before that. The directors could not pay this without a vote of the shareholders; we could not draw and pay that without a vote from the shareholders.

By the Chairman:

Q. Under the statute would the directors have power to draw that?—A. I thought that the money had been voted by the shareholders.

Mr. GALLIHER.—I simply mention it so that if it was not the case you might not have a misconception of that?—A. It was my impression, but I might be making a mistake, that it was usual for the shareholders to vote any remuneration to the directors, and I thought it was done in this case.

By Mr. Monk:

Q. In this case, was it the shareholders or the directors themselves who voted the money?—A. I was always under the impression that the amount had been granted by the shareholders, that was my impression all along.

Q. Well, now, Mr. DuMoulin, you were there as representing the government. Did you look into the subscription of what is called before this committee the new stock, the \$200,000 which under the agreement of 1903 had to be subscribed and paid in cash. Did you have occasion to look into that?—A. No, I did not look into it.

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Q. Do you know, as a matter of fact, whether it was paid in cash before the \$600,000 bond issue was made, do you know that?—A. Well, at the time the amount was subscribed it came to my knowledge that certain shareholders who had taken some of that new stock, paid up in cash, it came to my knowledge.

Q. But did you have occasion to verify whether the whole of the \$200,000 had been paid up in cash previous to the bond issue?—A. No.

Q. Well, now, do you know that the company certified to the government in order to secure that issue of bonds, that the whole issue of \$200,000 had been paid in cash, do you know that?—A. I understood that was a condition, but I did not inquire particularly.

Q. Had you any knowledge as a director of the company that a certificate was given to the government on the 26th of February, 1904, as follows:—

‘I hereby certify that additional stock to the extent of \$200,000 has been duly subscribed to the capital stock of the Quebec Bridge and Railway Company and paid up in full, in compliance with clause 4 of the agreement made on the 19th October, 1903, between the Quebec Bridge and Railway Company and the Dominion government.’

That is signed by Ulric Barthe, treasurer, and by Mr. Parent, president, and the seal of the company is attached to it?—A. This must have come to my knowledge at the time I was on the board; this was in 1904, was it?

Q. The 26th February?—A. But to-day I haven’t any recollection of it; certainly I must have seen it.

Q. Was that certificate issued with your concurrence?—A. That was four years ago, and I cannot say to-day. I may have forgotten it, but I do not remember. I have no recollection of it.

Q. Do you know whether it was a true and sincere certificate at that time?—A. I have no recollection of this matter to-day.

Q. You never made it a special matter of inquiry as to whether that certificate was well founded or not, did you?—A. Not to my recollection.

Q. As a business man of large experience, Mr. DuMoulin, did you study the situation of the company in 1903? Before you became a director did you know the situation?—A. I knew the situation in a general way, but I made no particular study of it.

Q. But you knew the company was hard up at that time, before the government came in, didn’t you?—A. I knew that the enterprise was a national enterprise that could not be carried on unless the government could come to the help of the company.

Q. As a business man, that being the case at that time, don’t you think the government could have done better to pay Mr. Davis the amount actually due him, since the bonds were worthless, his bonds I am speaking of?—A. Which bonds, the interim?

Q. Yes, the unguaranteed bonds. Would it not have been better for the government to pay him the amount actually due on the work instead of Mr. Davis ultimately making a profit of 40 per cent? Wouldn’t it be better, since the government was coming to the relief of the company, to do that?—A. I don’t believe the government could have built that bridge for less money than the company could.

Q. Perhaps I am not putting my question properly. The government found the company embarrassed financially, would it not have been wiser for the government, since the contractor had worthless bonds in a sense, to have paid him the amount actually due him rather than to provide for this large amount which he might eventually get by receiving the full amount of the bond?—A. The government made a good bargain, because in securing these plans the government secured the right to take the new bridge at any time they chose.

Q. I do not quite understand; what is that?—A. I say that the government when they secured the issue of bonds, the law provides that at any time, by giving a month’s

notice, the government may take back the bridge by paying the shareholders the amount of their stock plus 10 per cent premium.

Q. Do you think that is a very great advantage?—A. Well, of course it is, because the government had undertaken before that to pay a bonus of \$1,000,000, so that that bargain relieved the government of paying that amount, to the extent that that had not yet been paid, and besides that there were also the grants made by the city of Quebec and the province of Quebec.

Q. I might direct your attention to this large profit he made upon the bonds from \$218,000 to \$472,000, and the interest. I am asking you as a business man if it would not have been better for the government to pay to Mr. Davis the amount actually due him rather than to have provided for the redemption of the bonds in full?

The CHAIRMAN.—The shareholders paid that, the government did not.

A. Well, you see when Mr. Davis was paid with the interim bonds he got them at 60, but afterwards that discount was recouped by the new shareholders putting in some money to the extent of \$200,000.

Q. Well, that is true, but was that actually carried out? That stipulation of the government's? You were there as the government's representative, Mr. DuMoulin?

—A. As the company stands to-day they have received the full amount.

Q. You were given to understand they had received the full amount and paid off the discount on the bonds; who gave you to understand that?—A. Well, I attended the meetings, and this was the understanding; I never understood anything else than the fact that the new stock had been subscribed and paid for.

Q. You were given distinctly to understand that at the meetings?—A. Yes.

Q. Otherwise I suppose you would never have concurred in that certificate which I have read to you?—A. No.

Q. Do I understand, Mr. DuMoulin, that your ground for saying this has been a good transaction for the government, that you base that judgment upon the fact that the government stipulated that it could take the works over at thirty days' notice. —A. They only secured the bonds and we all expected that the bridge would be a paying enterprise, and therefore the government who had merely endorsed, instead of giving a bonus of \$1,000,000, became an endorser for property that was expected to give profits, so that the government, taking back the bridge, a paying proposition, they would have got a bridge without subscribing a cent.

By Mr. Galliker:

Q. And not only that, but the bonus of the Quebec city and the government as well? —A. Yes, and not only the unpaid balance of the \$1,000,000 bonus, but the whole amount of the bonus, what they had given before the agreement was made had been spent on the bridge, and the \$625,000 unpaid yet.

Q. In addition to the bonus from the Quebec government and the city?—A. Of course, that part of it would have remained there, but they would have been shareholders, and the government would have been compelled to consider them as shareholders or reimburse them.

By Mr. Monk:

Q. When you came on the board the plans and specifications of the superstructure had passed and they actually were at work on the superstructure?—A. It was at the beginning, about that.

Q. Did you have occasion yourself to look at any of these plans since you became a director?—A. Yes, of course I never intended to look at them in a technical way, as an engineer; I relied very much upon the judgment of the engineers; I had to do so.

Q. Do you know whether the Dominion government took cognizance of any of those plans, or any of the specifications, after you became a director?—A. I was aware that the government had approved of the plans.

Q. But when? Before or after?—A. Before the contracts were given out.

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By Mr. Galliher:

Q. Did you know of any changes in the plans afterwards?—A. No, I did not hear of any change in the plans afterwards.

By Mr. Monk:

Q. Do you know if there was any change in the plans or specifications after you became a director?—A. No, I never heard of any change, and surely if any change of very much importance had been made we would have heard of it.

By Mr. Chisholm (Antigonish):

Q. You would not be likely to know of any change anyway?—A. I would have; I never heard of any.

By Mr. Monk:

Q. How do you explain this clause in the agreement under which you became a director? Clause 12 says:

‘The plans and specifications for all the works of the undertaking shall be submitted to and approved by the Governor in Council before any work is constructed thereunder.’

I am now reading to you from the agreement of October 19, 1903. That would seem to call, as I understand it, for the government doing something in regard to these plans and specifications after this agreement of October 19, 1903, since it says: ‘Shall be submitted.’ Do you know, as a matter of fact, whether the government did examine or approve of any plans and specifications from the time you became a director?—A. At the time I became a director I understand that the government had its own engineer on the spot there at Phoenixville supervising everything. They had an engineer there.

Q. You understood, then, after you became a director, that the government had an engineer at Phoenixville supervising everything?—A. There was an engineer representing the government there at Phoenixville, who took the measures and the weight of every piece of steel that left the works and that was shipped to Canada.

Q. Had that man anything to do with the plans and specifications?—A. No.

Q. What were his duties?—A. To keep account of every piece of steel and the weight of the steel that was shipped to Canada.

Q. But the information I want to get from you is this; as I read clause 12, it says that the plans and specifications shall be submitted to and approved by the Governor in Council before any work is constructed thereunder?—A. I understand, that the plans and specifications have been approved by the Governor in Council as provided in that clause.

Q. Since the date of this agreement, of course?—A. Previous to any work being done.

Q. You understand that that clause has been complied with?—A. This clause provides for the government accepting all the plans and specifications before the work is begun, is that it?

Q. Yes? Well, now, I want to ask you this, as a director named by the government, do you know that stipulation was complied with after you became a director?—A. Well, I have no absolute personal knowledge of it.

By Mr. Chisholm (Antigonish):

Q. You could have no personal knowledge of it anyway; it would be the engineer of the government?—A. Yes.

By Mr. Galliher:

Q. In connection with the certificate that was given in regard to the \$200,000, did you consider this cheque of Mr. Davis', when it was stated that the amount had been subscribed for and the terms complied with, would you consider that this cheque of

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Mr. Davis' that they had for the sum of \$94,000, but which had not been turned into cash, was a payment?—A. Yes, because Mr. Davis is perfectly solvent for that amount and his cheque, for me, would be that much money.

Q. And you, if you had been signing this certificate, would have taken it in that way?—A. I would.

Witness discharged.

Committee adjourned.

HOUSE OF COMMONS,

ROOM No. 32.

TUESDAY, June 23, 1908.

The Committee met at 11.30 o'clock, a.m., the Chairman, Mr. A. K. Maclean, presiding.

Mr. LORENZO ROBITAILLE, M.P., called and examined.

By Mr. Galliher:

Q. You are a member of the House of Commons?—A. Yes.

Q. In looking through your speech, as reported in 'Hansard' of April 26, 1907, and reading it over, it has struck me that possibly there are some statements you may have made through error and which you might set right if they are wrong. For that reason I thought it due not only to yourself, but to this Committee, the matter having application to this inquiry as well, to ask you to answer a few questions. I will read you a few extracts and if necessary I will show the volume to you. At page 7939 of 'Hansard' in the course of your statement you say (reads):

'Those then promoting it'—referring to the Quebec bridge—'were Hon. S. N. Parent, then mayor of the city of Quebec, premier of the province of Quebec, and president of the bridge company.' My information is that Mr. Parent was not premier of the province of Quebec at that time. Do you know as to that?—A. Well, I am not in a position to state exactly if he were not at that time. But I am aware that he obtained a subsidy to the helping of the bridge from the provincial government, and it was in his capacity of premier that he obtained it. If it was a few months after or a year after, it was through his capacity as having the position that he obtained the provincial subsidy?

Q. Do you think that he obtained the provincial subsidy, when he did obtain it, while he was premier of the province of Quebec?—A. I think so.

Q. Do you state also and because he was premier?—A. Well, the presumption is, I think, that he got it for that because he had good influence with the provincial government, without casting any discredit on the venture.

Q. Yes, I understand. It merely struck me, and I wanted to clear that point as to whether he was or was not, at the time you speak of, premier of the province?—A. When he obtained the subsidy I am sure he was.

Q. Do you know when that subsidy was obtained?—A. No.

Q. Now, a little further on in the same speech you stated (reads):

'In 1901, after having secured this subsidy, a company was formed called the Quebec Terminal and Railway Company. Associated with Mr. Parent were Hon. John Sharples, E. Taschereau and Gaspard LeMoine.'

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Do you know, as a matter of fact, that Mr. Parent was ever a member of that terminal company?—A. I must say, in passing, that there are a few statements in that speech that were not correctly taken by the stenographers. In reading it up this summer I found, for example, that certain figures do not corroborate certain statements. I corrected some of these with the original that I had when I gave them out, and I think personally that Hon. Mr. Parent's name was not mentioned in the House by me at the time. I read from the statute book the names of the parties who had registered themselves when they asked for letters patent. Mr. Parent's was not, if I remember right, but there was Mr. Edmond Taschereau, who is a notary in Mr. Parent's office.

Q. And you are incorrectly reported in stating that Mr. Parent was one of the members of the terminal company?—A. I think so. It is my impression that his name was not on the Quebec Terminal Company's directorship. But I mentioned later on in the course of the speech, which probably was misconstrued by the 'Hansard' reporter, that Mr. Taschereau was in Mr. Parent's office, and he belonged to the same clan.

Q. Now, page 7940 of 'Hansard' I think, must be a mistake, too. You referred to grants being received by the bridge company. You referred to a municipal grant of \$374,353, a Quebec city municipal subsidy of \$300,000, and a Quebec provincial subsidy of \$250,000. As a matter of fact, was there not only one municipal subsidy?—A. I think so. One municipal, one provincial and one federal.

Q. So that the mention of two principal grants?—A. Well, it is in 'Hansard.'

Q. It is an error?—A. It was late at night, and I believe I spoke a little fast, and they made it up, and next morning I had no chance of correcting it, because it was the close of the session.

Q. I am only asking these questions to clear up those matters?—A. Yes.

Q. Now, before we leave this matter of the Quebec Terminal Company, I see that at page 7942 of the 'Hansard,' on April 26, 1907, you are quoted as saying (reads):

'Another important question. The company has power to work with terminals. This company has the power, as I said before, by statute, of transacting business with that Quebec Terminal Company. Now, what is the operation? Both are interested parties, the one company is the same as the other. The Quebec Bridge Company gets a guarantee from the government, gets money from the government, and buys property from the Quebec Terminal Company, who has options all along from the bridge to the entry of the city, and they will buy at an enhanced price, which the said terminal company will fix, and the bridge company will be too glad to purchase because the chief officials will be buying their own property.'

Now as a matter of fact did the Quebec Terminal Company become merged in and form part of the Quebec Bridge Company?—A. I am not aware if it has or if it has not. By what I so state there I showed there was close contiguity or close interest between the two boards and by my statement I was just giving what was liable to happen on account of the good understanding of both boards. I was not affirming that they were doing it.

Q. It was not your intention—A. If you read it closely you will find that the explanation I give concurs with the statement. I was showing the close affiliation between these two boards and I say 'What is the result? How shall it operate?' And then I say—

Q. Then you are not stating, as a matter of fact, anything that had occurred but what might occur?—A. What might occur, yes.

Q. As a matter of fact do you know that the Quebec Terminal Company never had bought any properties at all, never had controlled any properties?—A. I am not aware they had.

Q. In connection with this?—A. I am not aware they had. I understand that later on they merged or did not take advantage of their charter. I don't know what happened with it afterwards.

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Q. So your later information, as a matter of fact, is, what you anticipated, at all events when you were making this statement, did not take place?—A. Yes. The only information I had was by Mr. Power in the House that they never operated that charter, but still the way the charter worked out. That is why I gave that explanation.

Q. I understand you to say, Mr. Robitaille, that you were just making the statement that on account of the close relationship certain things might be looked for?—A. Might be looked for. Yes.

Q. Since then your knowledge has led you to understand that these things you anticipated, or may have anticipated, did not take place?—A. Even at this moment I am not in possession of the facts as to whether they have taken place or have not, but as I stated before, it is the close relation of these two directorships. The presumption was they could come to a satisfactory understanding and operate in that sense.

Q. Then your speech has really no relation whatever except in the sense that such and such things might occur?—A. Yes.

Q. To your knowledge, or as far as you know, they never did occur?—A. Yes, that is why I was asking the government to take the thing under its control because I was foreshadowing the result.

Q. This statement was made in 1907 and I am instructed that in 1903 they became amalgamated and the company was called the Quebec Bridge and Terminal Company. So at this time and three years prior to that, there could not have been anything of that nature?—A. Probably.

Q. You say probably. Would you not think that a natural outcome of the fact that they were one and the same company and that there were not two companies?—A. Yes, I would deduce that but you and the president are more aware of the workings of that company than I was at the time.

Q. Excuse me. I am no more aware of it than you are. You also at page 7942 of 'Hansard' make this assertion (reads):

'The second point I wish to call to the attention of the Finance Minister, is his own statement which I find in the 'Hansard' of a few days ago, that there was no permanent officer of the works and no official was sent to look after the works. Well, we know an official who is a brother of the president of that company, a man who keeps a small retail grocery store in my own parish, and who does not know the difference between a cross beam and a purlin in bridge work. He is a very worthy man but he allows the wool to be pulled over his eyes,—'

And so on. Your meaning, I take from that, is that Mr. Parent's brother was employed in an official capacity on that work?—A. That is incorrect.

Q. Is that correct?—A. That is incorrect. That is what I meant, but this summer I have seen him again, and the way it is: in conversation he was telling me what influence his brother had and he was naming the different positions his different brothers assumed with the government, and I think he even stated that his own mother was inspector of women's labour and he himself intimated that he made very frequent visits to the bridge, and he led me to believe he was getting \$1,000 out of it. This summer after making that speech I sent it to him and he was very inquisitive and he thought probably his name was on the pay list and he was not drawing the salary. That is how it turned out. I found that he first and foremost was wrong and my statement based on those facts was not accurate.

Q. In fact was entirely wrong?—A. Entirely wrong, yes.

Q. Just another little point I want to bring up. Have you gone over the figures that you gave with respect to the liability of the company and the value of the work, as extracted, I think, from the report of the engineer?—A. Well, the figures there, I could not vouch for them—

Q. I will come to that in greater detail afterwards, but have you revised these figures, or gone over them, since you made that speech in the House?—A. I have

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revised them, as I say, with the sample that I had at home but I know there are many figures there that are not proper. The figures given by me in the House were figures taken from the record, this statement of a balance sheet given by the bridge company at the time they came to parliament to get the guarantee of their seven millions of bonds.

Q. This is reported at page 7941 of the 'Hansard' of April 26th, 1907. Had you taken the trouble to more than look at the figures as they were put down, had you gone into their application to the work at all?—A. I have taken the figures as given by the engineer, as handed over to the government when they asked the government to guarantee their bonds to the amount of \$7,000,000.

Q. Did you consider the application of these figures, one portion or section of them to another, when you did that or did you take them baldly as they appeared in the statement?—A. I gave them out as I had them before me.

Q. Without looking into the thing at all or applying them in your mind as they should be applied?—A. I am not aware that I applied them wrongly. The only thing I am sure of is I took the report as it was given. I took for granted that the report was correct and I read the figures as they appeared there.

Q. You simply took the report and you read the figures as they appeared there?—A. Yes.

Q. Without going into any detail or study of the thing yourself?—A. If I remember right I studied them sufficiently in order not to give false figures.

Q. I would not for a moment intimate that you gave false figures, in fact I know you did not. Are you an accountant, Mr. Robitaille?—A. I am able to discern such figures as are given to me.

Q. But you are not an accountant?—A. I have had a degree as accountant and I have been doing some accounting work in the States as a business doctor.

Q. I want to go through those statements shortly. You start off by saying (reads):

'Now this M. P. Davis took \$472,000 worth of bonds at a discount of 40 per cent. thereby causing a loss to that company——'—A. Sixty per cent.

Q. At a discount of 40 per cent?—A. Yes, but they made a mistake.

By the Chairman:

Q. No, that is right. Forty per cent and they got 60?—A. Then that 40 per cent is correct.

By Mr. Galliher:

Q. (Reads):

'thereby causing a loss to that company of \$188,800. The actual money received was \$283,200 and on a finance of \$1,273,217.70 they admit having a floating debt of \$779,550 in 1903. Now the value of the work was then estimated at about \$1,400,000. That was the estimate of the government engineer, and it is natural to suppose that he was given a hint to make his estimate excessive rather than exact.'

I suppose in the latter part you were enlarging a little?—A. I was presuming a little, if you can read what is there.

Q. (Reads):

'If on a sum of a million and a quarter there is a difference of \$779,000, the shrinkage is about fifty per cent. What guarantee has the government to-day if it lends \$6,000,000? Judging the future by what we see in the past, a shrinkage of fifty per cent will represent a floating debt of three millions on the six or seven million dollars granted to this company as is proposed by the present bill.'

Do you still have the idea that there was, even from the figures as presented here by the engineer, a shrinkage of that nature?—A. There was a shrinkage of \$779,000 by the figures given in the statement handed over to the government when they asked to have guaranteed bonds to the extent of——

Q. That is your idea of the figures given by the engineer?—A. I understand there was a deficit at the time.

Q. That is your idea as a man having had some experience in accounting?—A. It was, if I read the figures given there. If I had been aware that I would be asked to give evidence this morning I would have brought the report up.

Q. Are these the figures that you were quoting from (showing witness printed statement)?—A. (Pointing to statement.) This is the one here, floating debt.

Q. Here is '\$1,416,394 value of work done engineering, &c.'—A. I took this floating debt.

Q. That is the same as you got your information from?—A. Yes, and here is the same floating debt.

Q. And that is the conclusion you came to after having gone over these figures? A. Well if I understand the English language floating debt means it is a debt and the figure opposite shows that it is not a surplus.

Q. Let us now take this up and see if we can get along a certain line. We find the value of the work, as certified by the engineer at the time this statement was made out and presented to parliament, is \$1,416,394. That is correct, is it not?—A. Yes, by the figures.

Q. I am taking the same figures that you took. Now we find there is interest on bonds and cash owing, \$34,298. You will admit, I presume, Mr. Robitaille, that interest on monies in a work of this kind is really chargeable against the assets, or at least really chargeable against the work on the bridge just the same as the making of a portion of the structure is?—A. Yes.

Q. So we find \$34,298 a question of interest. We find engineering and so forth \$25,000, don't we?—A. Yes.

Q. I presume you will admit that also is chargeable against the construction. Then on superstructure work we find due since 11th August, 1903, \$30,000, do we not?—A. Yes, money owed.

Q. That is for work done on the superstructure, that forms a part of the monies expended or sunk in the work?—A. Yes.

Q. So these three items will be properly added to the original \$1,416,394?—A. Well, I claim it should not be added. It should not be 1,416,000, it should be \$1,100,000, because you see you cannot add the \$30,000 and the \$25,000. The engineering and the amount due on superstructure should not be added to the total value of work done.

Q. Why not?—A. Why not? Because this is money you owe. The interest on bonds and cash owing should not be credited to the work but should be debited. Then this amount for engineering is also included in the amount which is represented here as the value of work done.

Q. I think you will find not?—A. When you appraise a building you may appraise for the full amount of the building and if you want to strike a balance sheet deduct from the value of the building what you owe and it gives you exactly your status. Now in this case you give as the value of the work, just a lump sum, without taking into consideration what is owed and what is not. You cannot add to that account money which the Quebec Bridge Company owe for engineering, or even what they owe still on the superstructure of the work.

Q. But, Mr. Robitaille, the engineering, the superstructure and the interest on monies borrowed to carry along the enterprise, are they not a part of the bridge building proposition itself, are they not something properly chargeable?—A. In the cost, perhaps.

Q. In the cost of the bridge?—A. Yes, just the same as the scaffolding. When you have the value of work done that amount here is supposed to include all expenditure.

Q. These three are subsequent, viz. the item for interest on bonds, engineering and superstructure. They are in addition to the original amount of \$1,416,394. They

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are subsequent to the estimate of that?—A. Your last statement does not corroborate the first one, if these three amounts are subsequent to the value of the work done. This does not agree with what you said a few minutes ago that the superstructure, the engineering and so forth are supposed to be a part of the work.

Q. Well but it does?—A. Yes, because the scaffolding of the building is included in the cost; the cost of the building is valued as it is erected.

Q. But you are going on the wrong principle there all the time. If those three latter items that have just been mentioned are not included in this first figure should they not be added to that first item if they are not included in balancing up and ascertaining how the moneys received have been expended?—A. If they are not included?

Q. Yes, going on that basis?—A. Yes, but what guarantee have you that in that figure these are not properly appraised?

Q. I know, as a matter of fact, from the auditor who went over the books, that they are not included; the statement shows they are not, they would not be separated if they were?—A. Not necessarily, because if you value the work done in a certain building everything is supposed to be included, but anyway, taking for granted they are not included in that, they should be.

Q. That would bring us to \$1,505,692?—A. Yes.

Q. That is what the figures show, is it not?—A. Yes.

Q. Now, let us take the other side of the sheet, and we find in the item of, 'payments made,' \$1,198,141, don't we?—A. Yes.

Q. Yes. Now, let me see, just a moment—

The CHAIRMAN.—What you are trying to show is that the floating debt was not as great as \$779,000, is not that so, Mr. Galliher?

Mr. GALLIHER.—In fact I propose to show there is no floating debt except those outstanding bonds of \$472,000.

Mr. MONK.—The return to parliament shows a floating debt of \$779,000.

Mr. GALLIHER.—Yes, I am going to show what that \$779,551 includes.

By Mr. Galliher :

Q. The floating debt is given at \$779,551, is it not?—A. Yes.

Q. Now, of the floating debt \$472,000 is bond issue, isn't it?—A. Of that floating debt, what?

Q. \$472,000 is bond issue?—A. It is not stated there.

Q. Yes, \$472,000?—A. \$472,000, oh yes.

Q. Yes, \$472,000 is the bond issue; then outside of that bond issue there is a floating debt of \$307,551, is there?—A. That is by your figuring?

Q. Yes, take your original floating debt reported as \$779,551?—A. I will add some figures and then I will calculate on that.

The CHAIRMAN.—That is merely as a matter of subtraction. I suppose that is right?

By Mr. Galliher :

Q. \$779,551 is the floating debt, and of that \$472,000 is bond issue, is it not?—A. Yes.

Q. Therefore the balance is the floating debt?—A. What are your figures?

Q. \$307,551 is the floating debt, that is right is it not, \$779,551 less \$472,000?—A. Yes.—one minute, \$307,551?

Q. That is outside of the bonds?—A. But you should add to that \$188,000, which is the discount on those bonds, because you owe the difference.

Q. Wait a moment, we will come to that by and by, but let me get at it my way first and then you can explain it the other way?—A. All right.

Q. So that we find the payments made \$1,198,141, and the floating indebtedness outside the bonds \$307,551?—A. Why do you take the bonds out of that?

Q. For the simple reason that I am going to deal with them in another way?—

A. Because the amount—

Q. If you will follow me and answer my question then I will let you make any explanations you like, Mr. Robitaille, that is right, is it not?—A. The way you look at it.

Q. The way anybody looks at it as far as that is concerned. The payment made \$1,198,141, and outside the bonds there is \$307,551?—A. Yes.

Q. Then we find that the floating debt and the monies paid out amount to \$1,505,692, do we not?—A. Payments made?

Q. Payments made, and added to that the floating debt outside the bonds?—A. Yes.

Q. And you find that that corresponds exactly, to a dollar, with the former calculation of the values expended in the bridge, do you not?—A. Yes.

Q. Now, then, we will go on and deal with the question of bonds, that is an exact balance if you leave the bonds out of the question?—A. If you leave the bonds out of the question.

Q. Then we will take up the proposition of the bonds. Of this \$1,198,141, \$283,279 is the proceeds of the bonds, that is right, is it not?—A. Yes.

Q. That is included in that, \$283,279 is the proceeds of the bonds. Now the bonds if sold at par would be \$472,000?—A. Yes, the amount that you subtract from the other.

Q. And supposing you, as a company, owe \$472,000 and issue bonds and sell them to that amount you wipe out the indebtedness as far as the contractor is concerned, do you not?—A. Yes.

Q. But you still have your \$472,000 of indebtedness?—A. Yes.

Q. On your bonds which you have to redeem?—A. Yes.

Q. Which would be the case in this instance?—A. Yes.

Q. So that if these bonds had been sold at par an accounting here would show that every dollar received had been expended, and you would get an equal balance?—A. Yes, by the figuring.

Q. By the figuring, yes. So that the only thing is the \$188,000, the discount on the bonds?—A. Yes.

Q. Now, that being the case, it is clear, is it not, that really with regard to the money received the bridge company have in construction, engineering, interest, &c., received dollar for dollar in value less whatever discount (\$188,000 odd) there was on these bonds?—A. By the figuring you have just made it shows that. Are you finished now on that?

Q. Yes, I think that covers it—well, just one question. And on that basis, Mr. Robitaille, your statement here of a shrinkage of 50 per cent must be absolutely wrong; that is if the basis I have established is right?—A. By that basis, but I was taking the report.

Q. Yes, that will give you that result, according to the basis I have established; in questioning you here I am not saying that basis is correct, or I do not ask you to say it is correct, but that is correct according to that basis?—A. That is correct.

Q. That is if the basis of figuring is correct, then your statement with regard to a shrinkage of 50 per cent or with regard to any shrinkage outside of what was brought about by the discount on those bonds was wrong, there is absolutely nothing?—A. There is something in this, and I take this report, a paper with the signature of Collingwood Schreiber, chief engineer, as authentic, and it states here, that the floating debt up to the 15th of October, 1903, is \$779,000. Now let me figure in another way than your method of figuring. He claims that is right and you claim you are right.

Q. I claim both are right.—A. Probably it may be, but to an ordinary eye it does not look that way and I am looking at the papers as submitted to the House.

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Q. I am trying to show—A. If they thought that they should reduce that floating debt by the amount of the discount 40 per cent why did they not include that in the report?

Q. Of course I am not responsible for that?—A. And I am not responsible for what knowledge I have any more than that I have taken this report as my source of information.

Q. But you will admit that if the basis I have established here is correct, as taken from the figures there, and I have only taken such figures as there are there, if the basis I have established is correct the conclusion I have arrived at is correct also, is it not?—A. Yes, taking it that everything is correct, which is the presumption.

Q. Exactly?—A. Well, wait until I do some figuring now. Now, take \$1,416,395, value of work done, engineering, interest on bonds and cash owing \$34,298; engineering, \$25,000; due on superstructure since 11th August, 1903, \$30,000; that makes a total of \$1,505,792. Now \$472,000 bond issue, balance due on work, \$218,000; payments made, \$1,198,141, and add that other indebtedness, \$561,298, that makes \$2,449,439. First I take the value of the work done, engineering, \$1,416,395, that is acceptable, isn't it, as to the first amount?

Mr. GALLIHER.—Of course I am not giving evidence, but that is the statement there.

By the Chairman:

Q. You are trying to figure out a deficit. It would take quite a long while to figure it up, and you can come here at any time. Take a week and figure it out, you will have lots of time to come here after you have done so?—A. All right, and I will bring the figuring the way I had it figured up when I read it to the House.

Q. That is fair, the witness should have a chance to go over his figures.

By Mr. Chisholm (Antigonish):

Q. He wants to say that he was under a misapprehension when he made that statement in the House?—A. That would not be right to say I was under a misapprehension, because I made the same figuring twice—my manuscript was stolen from my desk at six o'clock and I had to make it up a second time, so that if I had made a mistake in the first instance, I had no copies of the figures I had made at first. I could not have produced the same results a second time.

By Mr. Galliher:

Q. But you found your manuscript afterwards?—A. No, I did not, I never found it, but I will make the calculations again and I will come before the committee with the figures I have. At all events the little information that there was before the House, whatever I could get, whatever was available I had it, that is why I was very careful in the statement I made.

By Mr. Chisholm (Antigonish):

Q. Of course you did not anticipate that that statement would be called into question here?—A. My statement could very easily be called into question in the city of Quebec where I live.

By the Chairman:

Q. According to Mr. Roblin a political statement is a different statement to one made by a witness under oath, they are two different things altogether?—A. You know more about that than I do, I have not been as long in the game as you have.

Witness retired.

L'honorable S. N. PARENT est appelé, prête serment et est examiné.

Par M. Monk :

Q. Vous avez agi pratiquement comme directeur-gérant de la *Quebec Bridge Company* pendant que vous en étiez le président?—R. J'ai agi comme président.

Q. Y avait-il un gérant?—R. Non, monsieur.

Q. Pratiquement, est-ce que vous n'en remplissiez les fonctions?—R. Non, monsieur; je ne puis dire cela.

Q. Il y a des témoins qui ont dit que vous aviez fait les neuf dixièmes du travail?—R. Je ne puis avoir travaillé beaucoup sans être gérant.

Q. Vous n'aviez pas ce titre, mais en définitive vous avez fait les neuf dixièmes de travaux d'administration?—R. Je ne dis pas cela; j'ai fait beaucoup de travail mais je ne sais pas si je puis dire les neuf dixièmes.

Q. Voulez-vous dire au comité quelles sont les raisons qui vous ont fait choisir monsieur Cooper comme ingénieur?—R. Eh bien, lorsque nous avons eu des soumissions des différentes compagnies, la première chose que nous avions à faire était de trouver un homme compétent pour examiner les plans.

Q. Les différentes compagnies de ponts?—R. Les compagnies qui avaient soumissionné. Après informations prises, M. Théodore Cooper, ingénieur de la ville de New-York a été recommandé comme l'homme le plus capable en matière de ponts, comme faisant autorité. Voilà ce qui l'a fait choisir; et nous avons constaté que ce qu'on avait dit de lui était conforme à la vérité; c'était une autorité dans la matière.

Q. Ce monsieur a-t-il visité le site du pont plusieurs fois?—R. Il est allé le visiter quelques fois, certainement.

Q. Combien de fois à peu près a-t-il été sur les lieux?—R. Il est allé sur les lieux à ma connaissance quand nous construisions la substructure, quand M. Davis faisait les piliers; il est venu une couple de fois.

Q. Je crois constater qu'il y est allé une couple de fois, est-ce que c'est correcte?—R. D'après nos arrangements avec lui, M. Cooper devait aller au pont environ une fois par mois s'il le jugeait à propos; il était juge dans la matière.

Q. Comme question de fait, je crois qu'il y est allé deux ou trois fois, n'est-ce pas, pendant le cours des travaux?—R. Il doit y être allé trois ou quatre fois, peut-être quatre ou cinq fois; au meilleur de ma connaissance, je crois qu'il y est allé trois fois.

Q. Vous êtes-vous enquis dans le temps du capital et des ressources de la *Phœnix Bridge Company* avant d'entrer en affaires avec elle?—R. La compagnie Phœnix dans le temps d'après nos informations avait un capital de cent mille piastres; le crédit de la compagnie et le "backing" qu'elle avait, paraît-il, de la *Phœnix Iron Company* en faisait une compagnie très puissante dans la construction de ponts. Elle était très bien recommandée. Nous sommes allés à Philadelphie pour nous enquérir de sa situation financière, et les rapports qu'on nous a faits à propos de la *Phœnix Bridge Company* étaient très favorables.

Q. Mais en dehors de ce capital que vous venez d'indiquer, est-ce que la compagnie avait des ressources réalisables à votre connaissance, et quelles étaient-elles?—R. Lorsque nous avons transigé avec la *Phœnix Bridge Company*, nous avons pris son crédit tel qu'il était, avec de plus une garantie de cent mille piastres; nous avons en conséquence passé un contrat, étant persuadé que la compagnie remplirait ses obligations.

Q. Je constate qu'en effet la compagnie avait un crédit de cent mille piastres, mais ce montant ne vous a-t-il pas paru un peu minime en face des obligations que la compagnie assumait envers vous?—R. Il y en avait assez; le "drawback" était de dix pour cent; dans tous les cas le contrat parle par lui-même.

Q. Vous êtes-vous enquis dans le temps s'il n'était pas possible d'obtenir soit un crédit plus élevé, ou bien d'assurer les travaux dans la construction?—R. Eh bien,

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après avoir discuté cette question dans le temps, nous étions satisfaits qu'avec cette garantie et avec les recommandations que nous avons au sujet de la *Phœnix Bridge Company*, sur la manière qu'elle avait rempli ses contrats antérieurement, nous faisons de bons arrangements avec cette compagnie.

Q. N'auriez-vous pas pu prendre par exemple une garantie de la *Phœnix Iron Company*, qui semble avoir commandité cette compagnie-ci dans cette entreprise?—

R. Nous avons obtenu à notre point de vue une garantie satisfaisante et suffisante pour l'exécution du contrat que nous faisons avec la *Phœnix Bridge Company*. Et de fait, la *Phœnix Bridge Company* a parfaitement rempli ses obligations pour les travaux tel que convenu avec la Compagnie du pont de Québec, jusqu'au moment de l'accident.

Q. Saviez-vous que la *Phœnix Iron Company* était la compagnie mère de la *Phœnix Bridge Company*?—R. Tout ce que l'on savait c'est que la *Phœnix Iron Company* aidait la *Phœnix Bridge Company*; je ne sais pas de quelle manière, mais soit en fournissant le fer ou autrement; dans tous les cas elle aidait la *Phœnix Bridge Company*.

Q. Avez-vous étudié dans le temps les relations existant entre les deux compagnies?—R. Non, monsieur; pas plus que les directeurs de la banque; dans le temps, ils nous ont dit qu'ils étaient satisfaits que nous eussions affaires avec la compagnie.

Q. Savez-vous quelque chose de la position financière de la *Phœnix Iron Company*?—R. Non, monsieur; je n'en connais rien.

Q. Vous ne connaissez ni son capital ni ses ressources?—R. Non, monsieur.

Q. Et la question de donner des garanties additionnelles à l'obligation de cent mille piastres n'a pas été discutée, je crois, par le bureau?—R. Nous avons alors discuté avec la compagnie Phœnix; j'ai essayé d'avoir autant que je pouvais avoir comme garanties. Lorsque nous avons discuté le contrat, d'après les informations que nous avons à ce moment, nous avons jugé à propos d'accepter ces garanties comme étant satisfaisantes; si nous avions pu avoir plus je crois que nous l'aurions pris, mais nous n'avons pas pu avoir plus.

Q. Quand l'arche de 1,800 pieds a été substituée à l'arche de 1,600 pieds, quelles démarches votre compagnie a-t-elle faites pour s'assurer de la valeur et de la sûreté de la substitution?—R. Notre ingénieur en chef, M. Cooper, comme je vous l'ai dit il y a un instant était considéré comme le meilleur ingénieur en matière de ponts, un homme qui faisait autorité, qui prétendait qu'un autre ne pouvait pas le critiquer, n'avait pas les connaissances nécessaires pour cela; alors, nous avons pris son rapport, c'est lui qui a fait les suggestions que nous avons acceptées.

Q. Vous n'avez pas cru nécessaire de faire vérifier la prudence de ce changement, de le faire contrôler?—R. Nous avons aussi l'opinion de M. Szlapka qui était ingénieur de la *Phœnix Bridge Company*, qui a désigné les plans; les ingénieurs s'accordaient alors à dire que le changement pouvait se faire.

Q. Eh bien, quels étaient vos renseignements sur monsieur Szlapka, est-ce un ingénieur de renom?—R. Aux Etats-Unis, d'après ce que j'ai entendu dire,—je le connais personnellement depuis plusieurs années,—c'était un homme éminent.

Q. Savez-vous où cet ingénieur a fait ses études et quelles constructions il a déjà faites?—R. Je sais qu'il était à l'emploi de la *Phœnix Bridge Company* depuis un nombre d'années; il est considéré comme un homme très capable dans la matière; maintenant, je ne l'ai pas suivi dans ses études, je ne sais pas où il étudié.

Q. Connaissez-vous des ponts qu'il ait bâtis lui-même, dont il ait fait le dessin?—R. La *Phœnix Bridge Company* pourrait donner de meilleurs renseignements que moi de ce côté parce que je ne l'ai pas suivi dans ses travaux.

Q. Vous ne l'avez pas suivi dans ses travaux?—R. Non, monsieur.

Q. Vous paraissez considérer que c'est lui qui a fait les plans du pont?—R. Oui, monsieur.

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Q. C'est bien le cas?—R. Oui, monsieur; d'après mes informations; mais d'ailleurs, je ne crois pas qu'on nie cela non plus; le rapport de la Commission Royale doit donner tous ces détails-là.

Q. Quelle a été la soumission la plus basse pour la construction de ce pont; je vois que vous aviez plusieurs soumissions?—R. Voulez-vous parler de la sous-structure ou de la superstructure?

Q. Oui, monsieur; de la superstructure. Je vois que le dernier jour pour recevoir les soumissions était le 1er mars 1899 et qu'elles furent appelées au mois de septembre 1898?—R. Oui, monsieur.

Q. Quelle a été la plus basse soumission?—R. La question du prix dans le temps n'a pas été considérée, parce que nous ne savions pas quels plans pourraient être acceptés. Lorsque nous avons demandé des soumissions, nous avons demandé aux compagnies de fournir leurs plans; quant aux prix, il ne pouvait en être question avant de connaître quels plans seraient acceptés par la compagnie, si c'était un "cantilever" ou bien un pont suspendu; nous voulions savoir quel genre de plans serait acceptable.

Q. Combien avez-vous reçu de soumissions avec plans?—R. Je crois que nous en avons reçu quatre.

Q. Vous en avez reçu quatre?—R. Oui, monsieur; et d'après le rapport de monsieur Cooper la soumission de la *Phoenix Bridge Company* était la soumission la plus avantageuse.

Q. A ce moment-là est-ce qu'il s'agissait d'un prix fixe pour cette construction ou d'un prix à forfait?—R. Il n'était pas possible de donner une telle entreprise à forfait.

Q. Je trouve dans le rapport de la commission royale qu'il y avait une différence en faveur de la *Phoenix Bridge Company* dans sa soumission à ce moment-là de \$23,507, et c'était à forfait?—R. Oui, monsieur; mais vous ne pouviez pas avoir un contrat basé sur cette soumission; tels qu'étaient les plans, ayant été révisés par monsieur Cooper dans son rapport, les conditions changeaient alors.

Q. Mais monsieur Cooper vous a recommandé la soumission de la *Phoenix Bridge Company* comme étant la meilleure et la plus basse?—R. Oui, monsieur, je crois que oui.

Q. Elle était donc la plus basse à ce moment-là, il n'y a aucun doute de cela?—R. Il est possible, je ne me rappelle pas ces chiffres parce que c'est peu important.

Q. Avez-vous connaissance que subséquemment les travaux n'ont pas été entrepris à forfait mais ont été entrepris suivant le prix du fer?—R. Nous avons une cédule de prix de fixés tel que le contrat le mentionne.

Q. Vous savez que les prix de la *Key Stone Bridge Company* se trouvaient être plus bas que ceux de la *Phoenix Bridge Company*?—R. Je ne dis pas cela, je ne puis dire cela, parce que les prix de la Compagnie Key Stone pouvaient paraître plus bas, mais nous n'aurions pu construire sur son plan parce qu'il a été mis de côté; quand même les chiffres auraient été plus bas, ils n'auraient pas été acceptables par la compagnie.

Q. Dois-je comprendre qu'aux termes indiqués par cette compagnie, et suivant les conventions qui ont été arrêtées après l'achat de la soumission, vous maintenez que la *Phoenix Bridge* était le plus bas soumissionnaire?—R. Je considérerais que la *Phoenix Bridge Company* offrait plus d'avantages en tenant compte des circonstances. D'après le rapport de l'ingénieur, c'était la seule soumission acceptable.

Q. Mais vous admettez dans tous les cas que cette soumission ne faisait pas la base du contrat qui a été fait ensuite?—R. Il y a eu beaucoup de changements de faits par l'ingénieur dans les chiffres, qui ont changé la position.

Q. Un mot à présent sur les souscriptions au nouveau stock: vous vous rappelez que dans la convention que vous avez arrêtée avec le gouvernement dans le mois d'octobre mil neuf cent trois, la compagnie devait recueillir deux cent mille piastres de

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stock additionnel, lequel devait être versé comptant et employé jusqu'à concurrence de \$188,000 à éteindre l'escompte sur les anciennes débetures?—R. Oui, monsieur.

Q. Vous vous rappelez cela?—R. Oui, monsieur.

Q. Ces conditions ont-elles été remplies par votre compagnie?—R. Elles ont été remplies par la compagnie; c'est-à-dire que la compagnie a souscrit le stock de deux cent mille piastres et les \$188,000 n'ont pas d'abord été payées à l'acquis de l'escompte des débetures mais ils l'ont été plus tard.

Q. Mais enfin, quand vous avez certifié au gouvernement que ce stock était payé en plein, il y avait toujours en suspens le chèque de M. Davis pour \$94,000?—R. Le chèque n'était pas en suspens; nous avions le chèque en mains, lequel chèque pour nous valait absolument de l'argent. La seule raison qui nous a fait retenir ce chèque pendant un certain temps, c'est que nous ne voulions pas que le contracteur Davis eut le contrôle du stock de la compagnie; il avait été entendu dans le temps que lorsqu'il a souscrit pour cent dix-neuf mille et quelques cents piastres, nous aurions droit de prendre sur ce montant les souscriptions que les compagnies de chemin de fer avaient l'intention de prendre; et le fait le Grand-Tronc a pris quelque temps après vingt-cinq mille piastres sur les cent dix-neuf mille, laissant à M. Davis 949 parts de stock, formant un montant exact de \$94,900. Le Québec-Central devait prendre vingt-cinq mille piastres aussi; c'est la raison qui nous a fait attendre avant de mettre ce chèque à la banque. Dans le temps le Québec-Central n'avait pas d'autorisation de souscrire, sa charte ne le lui permettant pas, mais il a plus tard pris pour vingt-cinq mille piastres de stock de M. Sharples.

Q. Au lieu de le prendre de M. Davis?—R. Oui, monsieur. Quand cette question a été réglée nous n'avions plus d'intérêts à attendre et nous avons déposé le chèque à la banque.

Q. Le gouvernement fédéral avait-il connaissance de tous ces faits que vous venez de relater au comité?—R. Je ne sais pas ce que le gouvernement avait à faire avec cette question spéciale de stock, mais du moment que le stock a été souscrit nous l'avons déclaré au gouvernement; c'est tout ce qu'il avait besoin de savoir; et de fait ça l'avait été.

Q. Quand vous avez donné au gouvernement le certificat comportant que les deux cents mille piastres avaient été complètement payés, lui avez-vous fait savoir que vous aviez un chèque de \$94,900 de M. Davis non accepté, comme partie de son émission?—R. Ceci ne concernait pas le gouvernement; ses conditions étaient que nous souscrivions deux cent mille piastres; du moment que nous avions cela de payé, au point de vue de la compagnie, nous avons rempli les vues du gouvernement.

Q. Alors, si vous aviez eu tout le stock de deux cent mille piastres de souscrit de la même manière vous auriez considéré que...?—R. Du moment que j'aurais eu un chèque en mains que j'aurais pu déposer à la banque, qui aurait pu être payé, je considérerais absolument que j'étais remboursé du montant du stock.

Q. Dites-vous que ce chèque a été vu depuis le jour de sa date jusqu'au jour que vous l'avez encaissé?—R. Si nous avions déposé le chèque je suis fermement convaincu que nous aurions été payés en le présentant.

Q. Pourquoi ne l'avez-vous pas déposé?—R. Pour la raison que je viens de donner, c'est que les compagnies de chemin de fer devaient prendre du stock de Davis; nous ne devons pas le déposer avant de savoir si les compagnies prendraient de ce stock ou non; si la compagnie du Québec-Central avait pris vingt-cinq mille piastres de stock, le chèque de M. Davis aurait été de vingt-cinq mille piastres de moins ensuite.

Q. Vous lui avez délivré un certificat disant qu'il était porteur des parts représentées par son stock?—R. Nous considérions avoir été payés; le fait d'avoir délivré un certificat indique que nous considérions avoir été payés. M. Davis devait à la compagnie soixante-cinq mille piastres, et nous avons détenu le certificat en garantie du montant qu'il devait à la compagnie.

Q. Si je me rappelle bien il est indiqué au talon que les parts sont mises en gage?—R. Nous avons notre certificat, nous n'avons pas délivré ce certificat.

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Q. Il en a été émis un?—R. Oui, monsieur; mais nous l'avons gardé en notre possession pour garantir le montant qu'il nous devait.

Q. Alors, vous avez émis ce certificat constatant qu'il était porteur de ces parts-là et vous avez cependant gardé son chèque sans le présenter à la banque jusqu'en mil neuf cent sept?—R. Oui, monsieur; jusqu'à ce que le Québec-Central eut souscrit son montant.

Q. Dans votre opinion, ceci n'était pas affaire du gouvernement?—R. Non, monsieur; une pure question d'administration de la part de la compagnie; cela ne concernait que notre administration.

Q. Y avait-il des membres du gouvernement qui étaient au courant de cela?—R. Pas que je sache.

Q. Monsieur Fitzpatrick le savait-il?—R. Je ne sais pas.

Q. Le premier ministre le savait-il?—R. Je ne puis pas dire; dans tous les cas s'ils le savaient ils ne l'ont pas appris de moi, alors, je ne puis pas répondre pour d'autres.

Q. Vous savez que monsieur Davis n'a retiré ce chèque qu'après le règlement que vous avez fait de ces créances y compris les débentures émises en premier lieu par la compagnie?—R. Quelles débentures?

Q. Bien, ce n'est qu'après que vous eussiez racheté les premières débentures au pair s'élevant à \$472,000 que ce chèque s'est trouvé bon, c'est-à-dire que vous l'avez encaissé?—R. Cela a été fait après le paiement des débentures, cela a été fait par le gouvernement fédéral.

Q. Ces débentures ont été payées par le gouvernement fédéral?—R. Oui, monsieur; dans le montant fixé dans le statut, ça été payé à même les débentures.

Q. Quel est le montant du chèque qui a été émis pour le paiement de ces débentures; est-ce que ça été compris dans un montant plus...?—R. Dans un montant de huit cent quatre-vingt-dix-huit mille et quelques cents piastres.

Q. Est-ce que la compagnie a eu le contrôle de ce montant-là?—R. Non; ça été payé par le gouvernement à la Banque de Montréal, je crois.

Q. Sur des chèques?—R. Je l'ignore; c'est une affaire du département des Finances.

Q. C'est le gouvernement qui se charge du paiement de tous ces montants-là?—R. Le montant fixé dans le statut a été payé par le gouvernement.

Q. Quand la difficulté est survenue au sujet de l'emploi d'un expert, par monsieur Schreiber, pourquoi la Compagnie du Pont n'a-t-elle pas insisté pour que cet expert soit nommé et agisse pour que la compagnie bénéficie des conseils de cet expert sans avoir à payer le coût d'une expertise?—R. La Compagnie du Pont ne s'est jamais objecté à cela, au contraire, elle était en faveur de la suggestion du gouvernement. J'ai rencontré monsieur Cooper à New-York moi-même, à ce sujet; monsieur Cooper s'est complètement objecté à ce que monsieur Nichol lui fut adjoint dans la construction du pont; il a été même jusqu'à dire que si l'on insistait il résignerait sa position. Il est venu même à Ottawa rencontrer monsieur Schreiber pour discuter la question; le gouvernement avait à choisir entre la résignation de monsieur Cooper et la nomination de monsieur Nichol.

Q. Est-ce que monsieur Cooper ne savait pas que le gouvernement devait approuver tous les plans et spécifications?—R. Monsieur Cooper savait parfaitement cela, c'est pourquoi le gouvernement plus tard a été obligé de nommer monsieur Cooper comme son représentant.

Q. Mais entendons-nous: Monsieur Cooper savait parfaitement bien que le gouvernement s'était réservé le droit d'approuver les plans et spécifications?—R. Oui, monsieur; il devait le savoir.

Q. Pourquoi monsieur Cooper pouvait-il s'objecter à ce que le gouvernement emploie les personnes qu'il voulait employer afin de s'assurer de l'efficacité de ces plans?—R. Les raisons données par monsieur Cooper étaient celles-ci: Si le gouverne-

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ment nommé un expert ou un ingénieur de ponts, cet homme prendra probablement sur lui de faire certaines choses ou de donner des instructions durant la construction qui pourront venir à l'encontre de ce que je puis faire moi-même; et comme la chose est une affaire considérable je veux qu'il n'y ait que moi-même qui puisse s'occuper du contrôle de toute la construction. Ses craintes étaient que cet homme put donner des instructions contraires aux siennes. M. Cooper avait jugé dans le temps que M. Hoare était tout ce qu'il fallait et qu'il ne prendrait pas sur lui, celui-là, de rien faire sans le consulter.

Q. Si l'expert que le gouvernement était décidé à employer avait trouvé des défauts dans les plans qui ont été la cause du désastre, ça aurait été une très bonne chose?—R. Voici ce qui aurait pu arriver: M. Cooper prétendait qu'il n'y avait pas d'homme qui pouvait passer après lui, et c'était passablement l'avis d'ingénieurs éminents dans ce temps-là, je crois; et d'un autre côté, si le gouvernement avait nommé M. Nichol, si M. Cooper avait résigné et que l'accident du 29 août fût arrivé pareillement, l'on aurait blâmé bien plus le gouvernement d'avoir mis M. Cooper de côté, lui qui était considéré comme la meilleure autorité, pour prendre M. Nichol qui n'en était pas une; la position aurait alors été pire.

Q. Ne savez-vous pas que le gouvernement ne pouvait pas passer sur ces plans sans consulter un expert?—R. Le fait est qu'il y avait un expert avec M. Cooper, qui était une autorité.

Q. Avez-vous répété tout cela à M. Cooper dans le temps, que c'était une chose qu'on ne pouvait pas refuser au gouvernement?—R. M. Cooper savait parfaitement cela, parce que nous avons discuté la question de choisir entre la résignation de M. Cooper et cette nomination; il n'y avait pas autre chose à faire.

Q. Eh bien, passons là-dessus et laissez-moi vous demander ceci: Le gouvernement lorsqu'il a cédé aux instances de M. Cooper, avait cependant dès cet ordre en conseil du 15 août mil neuf cent trois décrété que les plans, tous les plans, et toutes les modifications qu'il y aurait, devaient lui être soumis avant d'être adoptés. Voici ce que dit cet ordre en conseil: "... provided the efficiency of the structure be fully maintained up to that defined in the original specifications attached to the company's contract (Ex. 12), the new loadings proposed by the Quebec Bridge Company's consulting engineer be accepted, &c.; and that all plans be submitted to the chief engineer and until his approval has been given, not to be adopted for work. This order modified the order in Council of July 21, 1903." Depuis ce moment, c'est-à-dire depuis qu'on a abandonné l'idée de prendre les services d'un expert, de M. Nichol, est-ce que le gouvernement a passé sur tous les plans, spécifications et changements qui ont été faits par M. Cooper dans la construction du pont?—R. Le gouvernement après l'arrangement de mil neuf cent trois a approuvé les plans et spécifications et s'en rapportait entièrement à M. Cooper pour leur exécution.

Q. Sans examiner de nouveau les plans, n'est-ce pas?—R. Bien, je ne sais pas si M. Schreiber les a examinés plusieurs fois.

Q. Depuis mil neuf cent trois, est-ce que le département des Chemins de fer a eu à examiner aucuns plans?—R. Le département des Chemins de fer répondra à cette question; quant à moi, je n'ai pas suivi cela.

Q. Vous ne le savez pas?—R. Je ne puis pas savoir ce qui se passe dans le département des Chemins de fer.

Q. Comme président de la compagnie du pont, vous ne savez pas si depuis cet ordre en conseil du 15 août 1903 le gouvernement a eu à passer sur aucuns plans?—R. Après avoir accepté les plans et spécifications; quant aux plans de détails je crois qu'il s'en rapportait entièrement à M. Cooper.

Q. Un autre point: Depuis le désastre, avez-vous examiné vous et vos co-directeurs quelle est la situation financière de la compagnie du pont de Québec: quelle est-elle aujourd'hui?—R. Je crois que M. Bell vous a soumis l'autre jour des chiffres à ce sujet; nous devons à la banque de Montréal.

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Q. Je ne crois pas que M. Bell ait fait d'examen depuis le désastre ?—R. C'est depuis le désastre.

Q. Vous-même pouvez-vous nous dire si la compagnie du pont de Québec est aujourd'hui capable de procéder aux réparations du pont ?—R. Sous les circonstances, tenant compte de l'accident qui est arrivé nous ne pourrions pas procéder à ces réparations, surtout avec la clause du statut de 1903 aux termes duquel le gouvernement doit reprendre le pont ; il est impossible de rien faire.

Q. Votre compagnie a-t-elle quelques ressources financières aujourd'hui ?—R. Non ; les ressources financières de la compagnie sont les montants qu'elle a mis dans la construction du pont.

Q. C'est tout ce qu'il y a en fait d'actif, n'est-ce pas ?—R. Nous avons les piliers et approches.

Q. Avez-vous eu des rapports de l'ingénieur en chef depuis le désastre ?—R. De M. Cooper ?

Q. Non, de M. Hoare ?—R. Un rapport spécial ?

Q. Oui ; avez-vous eu quelque rapport écrit de M. Hoare ?—R. Il a fait un rapport à la compagnie évaluant les dommages de l'accident à \$1,800,000 ; c'est à peu près tout ce que je peux me rappeler.

Q. Est-ce que pour un million huit cent mille piastres l'on peut réparer les dommages qui ont été faits là ?—R. Si nous évaluons les dommages à ce montant, je présume que oui, parce qu'il n'y a qu'une partie de l'ouvrage qui s'est écroulé, partie qui n'était pas encore terminée ; de sorte que la partie nord est intacte.

Q. Mais si le plan est défectueux, ne faudrait-il pas changer la partie nord ?—R. C'est une chose que les ingénieurs auront à décider ; ils auront à décider si la partie qui est actuellement manufacturée a être employée à la nouvelle construction.

Q. La compagnie du pont a-t-elle des dettes en dehors des débentures garanties, en dehors de ce qui a été mentionné comme étant dû à la banque de Montréal et en dehors de ce qui peut être dû au département des Douanes ?—R. La compagnie peut devoir quelque chose.

Q. Combien à peu près ?—R. Le montant ne peut pas être considérable ; nous avons une réclamation qui est pendante avec la *Quebec Improvement Company* pour droit de passage.

Q. Quel en est le montant ?—R. C'est pour trente-deux acres de terre que nous avons alors pris ; il y a eu des arbitres de nommés ; les arbitres ont accordé, je crois, un montant de \$26,000 ; notre arbitre était dissident ; il évaluait entre quatre ou cinq mille piastres, en autant que je puis me rappeler, un peu plus que quatre mille piastres. Nous sommes allés en Appel ; nous avons contesté l'arbitrage ; nous avons fait mettre de côté le jugement de la cour supérieure qui était contre nous par la cour d'Appel qui a renversé ce jugement, il y a eu appel au conseil privé qui a maintenu le jugement de la cour d'Appel. D'après ce que je comprends aujourd'hui, la *Quebec Improvement Company* accepterait en règlement de leur réclamation une somme de \$14,000.

Q. Qu'est-ce que c'est que ce *Quebec Improvement Company*, quels sont les intéressés dans cette compagnie ?—R. Je sais que le président est sir Alphonse Pelletier ; le gérant est un nommé Stuart, autant que je peux me rappeler.

Q. Connaissiez-vous les directeurs ?—R. Je ne connais pas les directeurs ; on me dit qu'ils sont cinq ou six directeurs, parmi lesquels J. T. Ross, et je ne sais pas si M. le sénateur Belcourt n'en est pas un autre ; à vrai dire, je ne connais pas les directeurs.

Q. Parlons des dernières débentures émises ; toute l'émission a été faite, n'est-ce pas ?—R. Oui, monsieur ; \$6,678,200.

Q. Combien de cette émission se trouve avoir été consommée jusqu'ici dans la construction du pont ; est-ce qu'il reste encore quelque chose ?—R. Tout le montant

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est épuisé ; il a été transporté à la banque de Montréal pour avances faites ; comme la banque nous a avancé, je crois, 80 à 85 pour cent sur les débentures, il devrait rester encore de débentures, étant prises au pair par le gouvernement, un montant, je présume, de sept à huit cent mille piastres ; il y a encore un montant qui n'est pas dépensé.

A une heure, la séance est levée jusqu'à 3 hrs de l'après-midi.

HOUSE OF COMMONS,

COMMITTEE ROOM No. 32,

TUESDAY, June 23, 1908.

The committee resumed at 3.30 o'clock p.m., the chairman, Mr. A. K. Maclean, presiding.

Mr. HENRY HOLGATE called and sworn and examined.

By Mr. Monk :

Q. You were one of the members of the royal commission that investigated the disaster to the Quebec bridge, were you not?—A. Yes, sir.

Q. Did you act as chairman of that commission?—A. Yes, sir.

Q. And you reported, I believe, to the government in due course?—A. On 20th February.

The CHAIRMAN.—You might ask Mr. Holgate who he is ?

By Mr. Monk :

Q. You are an engineer, Mr. Holgate—A. Yes, I am an engineer with my headquarters in Montreal.

Q. Have you had much experience in the exercise of your profession?—A. Yes, all my life.

Q. Have you had occasion to study bridge building?—A. Yes.

Q. In the engineering profession is bridge construction considered a special branch of the science?—A. My answer to that is, the design and construction of bridges is a special branch of engineering science ; more particularly is this so when it relates to bridges of long spans and of great dimensions. The design and construction of great bridges is distinctly a specialty, and only such engineers as have had a life long training in this particular work can possibly qualify as competent to undertake to design such a structure as the Quebec bridge, involving as it does the application of the accumulated knowledge and experience in the art, which can only be attained by those who have given the best part of their lives to this class of work. The knowledge necessary must include the most complete mastery of the mathematical questions involved, an accurate knowledge of the metallurgy and manufacture of steel, the faculty of applying this knowledge, combined with the indefinable power to meet commercial conditions, and the whole must bear the impress of sound judgment. These qualities are, in my opinion, not combined in one man in such a degree as to meet the conditions that are imposed by the construction of the Quebec bridge, and to meet such conditions the responsibility must be on several well chosen men who shall act together.

Q. Starting from that, Mr. Holgate, are there many engineers in America who are specially versed in bridge building, possessing the qualifications you have just referred to?—A. There are not many engineers in America who are specially versed in bridge building on the scale of structures such as the Quebec bridge. This class

of work, however, is world-wide, and not confined to America, and there are engineers in other countries who are also well versed in the art. There is no doubt, however, in my mind that there are engineers who are eminently qualified to successfully carry out this work.

Q. Would you say there is a very large number?—A. No, there is no large number of such engineers.

Q. Is a bridge, such as the Quebec bridge, in course of construction susceptible of being insured against accident such as befell that structure?—A. Yes, and this answer is rendered all the more positive because of the failure of the Quebec bridge structure, the lessons learned from this failure are of infinite value to engineers.

The CHAIRMAN.—What was your question again?

Mr. MONK.—If a structure such as the Quebec bridge can be insured against accident?

The CHAIRMAN.—What do you mean, commercial insurance, a-policy of insurance?

Mr. MONK.—I understand, Mr. Chairman, it is a policy in America where there is a great deal of bridge building to absolutely take out commercial insurance.

The CHAIRMAN.—I think Mr. Holgate understood the question in an entirely different way.

The WITNESS.—Entirely different.

By Mr. Monk :

Q. You mean to insure the construction?—A. By physical means.

Q. By physical means?—A. Yes, sir, not—

The CHAIRMAN.—He means the bridge can be built on that design.

By Mr. Monk :

Q. Is that what you mean?—A. Not on that design, I did not say so.

By Mr. Monk :

Q. Now, Mr. Holgate, is it possible, in the construction of such a bridge as the Quebec bridge, to ascertain beforehand—

The CHAIRMAN.—We had better finish this insurance point so as to make the record all right. Mr. Holgate answered yes to your question but meaning a different thing altogether. Perhaps you had better strike the question out altogether?

Mr. MONK.—I think the witness has explained it. He says he does not mean commercial insurance but proper means being taken, its feasible construction with a proper design. Is not that what you meant?

The WITNESS.—Yes.

By the Chairman :

Q. Is it possible to effect commercial insurance of a structure of that kind during construction, to your knowledge?—A. I should say it is not.

By Mr. Monk :

Q. Is it possible in the case of a structure like the Quebec bridge to ascertain before hand the cost of construction and—?—A. Yes. I beg your pardon, you were going to add something further?

Q. I wanted to add whether it would have been possible, by careful examination of the plans and specifications of that bridge, to ascertain the weaknesses and defects which ultimately caused the collapse?—A. If you would separate your question I could answer better.

Q. The first part of the question is if it is feasible to ascertain beforehand the cost of construction?—A. Yes, as to the superstructure, which is definite, but not so with the substructure, the building of which involves serious contingencies which can-

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not always be provided for or guarded against, and which arise in the course of construction and which can only be overcome by the resourcefulness of the engineers in command.

Q. Would it have been possible, upon a thorough examination of the plans and specifications of the Quebec bridge, to ascertain the weakness and defects which ultimately caused the collapse?—A. Yes, but it would have involved a systematic series of tests on compression members as well as on tension members, and this fact would have had to be realized by the engineers in charge of the work and they did not realize it. Had the plans of the bridge been made complete, before construction was begun, and the weight of the structure been definitely ascertained the serious error of assuming too little dead load would have been avoided. This course was not followed. In addition to this, however, the design of certain details was wrong, and this should have been tested by experiment to prove the assumptions of the designers, as was done by the commission in its inquiry, and which clearly showed such assumption to be wrong.

Q. Are these experiments to which you have just referred, Mr. Holgate, very difficult of execution or very costly?—A. They are both difficult and costly, and at that time were not considered by the engineers as necessary for the purpose of design.

Q. Who made the design of this bridge?—A. The Phoenix Bridge Company, in whose employ Mr. P. L. Szlapka holds the position of designing engineer and has for his chief assistant, Mr. Charles Scheidl; both of these gentlemen are designing engineers of great experience and have successfully designed many important structures.

Q. Do you know anything about the financial position or strength of the Phoenix Bridge Company? In your enquiries have you had occasion to ascertain that? Is it a very powerful company?—A. In appendix No. 4 of the report of the commission is set out the necessary information.

Q. Do you know, Mr. Holgate, from your examination of the whole affair how many tenders were made for the construction of the bridge and what these tenders were?—A. I will just refer to the report. On page 15 of the report is a statement of the tenders received for the work. On page 16 of the printed report are the figures showing the comparison between the tenders of the Phoenix Bridge Company and the Keystone Bridge Company for cantilever bridges, which latter figures were the same as those of the Dominion Bridge Company, the two companies, that is the Keystone and the Dominion Bridge Company, had for this part of the work entered into an agreement whereby a part of the work would be manufactured in Canada. The amounts of the other tenders were higher, and those for suspension designs were higher than for the cantilever designs. The secretary of the Quebec Bridge Company could not produce the other tenders, and stated that they had been returned to the parties tendering, so that the actual amounts of these tenders are not on record.

Q. I see on reference to page 16 of your report that as to the weight and prices of the steel per gross ton that the Phoenix Bridge Company's tender was \$103.94, and that the Keystone Bridge Company's tender was \$90 only. The Quebec Bridge Company having substituted a lump sum for the construction of the superstructure, a sum which was to be based upon the weight of the steel, it seems to me that the Keystone Bridge Company had the lowest tender. Am I right in making that supposition?—A. No, sir, not at that time, for the reason that whereas the price per ton of the Keystone Bridge Company for the steel work was less than that of the Phoenix Bridge Company per ton, the weight of the Keystone Company's bridge which was proposed to be built was 4,444 gross tons greater than the weight of the proposed Phoenix Company's bridge. So that the gross amount of the Keystone Company's tender was about \$23,000 odd in excess of the Phoenix Company's tender, and both these tenders were on the basis of a lump sum. Mr. Cooper's report, dated May 1, 1900, set out these facts perfectly clearly.

By Mr. Galliher:

Q. Would there not be, in addition to that, the extra duty that would have to be paid on the extra tonnage?—A. Exactly; in addition to that, of course that would make a further difference, whatever that duty was. I think it would amount to about—I think the figures are here—would amount to about \$97,768.

By Mr. Monk:

Q. Would the extra weight have been any detriment?—A. I think it is impossible to answer that question because—

The CHAIRMAN.—It depends upon the design, I suppose?—A. Because it is a question of design, and that question was settled at that time by Mr. Cooper from his examination of the design and his estimate of the weights.

By Mr. Monk:

Q. Do you know anything about the Keystone Bridge Company?—A. Oh yes.

Q. It is a good company?—A. That is the Carnegie Steel Company.

Q. You had not occasion to see their designs, had you?—A. The only design of theirs that I saw was simply an outline. I saw no detail plans of theirs.

Q. Had you occasion to investigate the financial condition of the Quebec Bridge Company during your labours? Do you know anything about the financial condition of that company?—A. The only knowledge of the financial situation of the Quebec Bridge Company which I had is set out in the commission's report, principally in the third and fifth appendices, the company's 1907 balance sheet (Exhibit 123) and the progress estimates (Exhibit 42) also covers certain of this information.

Q. Now, Mr. Holgate, if you wish to make sure that the designs, plans and specifications for such a gigantic structure as the Quebec bridge were of a nature to ensure a perfect and safe structure, what means would you adopt, supposing you were called upon to become responsible for such a structure of that magnitude, how would you make sure, as sure as one can be, that the designs, plans and specifications were of such a nature as to absolutely ensure the success of the undertaking, can you tell that to the committee?—A. I have given that matter a good deal of consideration, and my opinion is that owing to the gigantic proportions of a structure such as the Quebec bridge must be, and to its very great national importance, and also having regard to the methods followed in designing and carrying out the work on the fallen structure, it is obvious that the new work must be controlled by a more competent and conservative organization. In order to ensure good results, the work of designing and building the bridge should be entrusted to a committee or commission of three of the most eminent bridge engineers in the world, irrespective of nationality, and who should appoint a chief engineer. The engineers on the commission would have duties of active advisers and would be responsible for all results; the chief engineer would be their executive officer and responsible only to the commission. The chief engineer should have a competent staff, and he should prepare all designs subject to the direction and approval of the commission. Upon such designs and their specifications tenders may be obtained upon a unit price basis, the judgment of the commission being taken as to the acceptance of any tenders. The inspection of material, workmanship and of erection would rest with the chief engineer.

By Mr. Galliher:

Q. Are you answering his question or making a statement?—A. This is in answer to the question. It would appear as desirable that the commission if so appointed, should first look at the whole question of the bridge as *de novo*, and without reference as to what has been done in regard to general and detailed location of the bridge, in order to set at rest certain statements to the effect that errors of judgment have been made in these directions.

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By Mr. Galliher:

Q. Do I take your answer as applying to what you would recommend being done now if the bridge were being taken hold of in its present condition to build it, or are you speaking really from the beginning of construction irrespective of the fact that an accident had happened?—A. It will have to be considered in both ways, and the loss and the damage is so very great as to warrant at this stage considering the matter as a new subject.

Q. I understand that; part of your answer and the concluding sentence of it led me to ask my question. But I understood Mr. Monk's question a little differently, viz.: as relating more to what should or should not have been done in the first instance. Am I right in that, Mr. Monk?

Mr. MONK.—Yes, Mr. Galliher, I applied it generally as to what should have been done in the first instance as well as to what ought to be done now.

Mr. GALLIHER.—Yes, that is what I wanted to clearly understand.

Mr. MONK.—Laying down a general principle.

Mr. GALLIHER.—Of course, we are all wiser after the fact than before.

The WITNESS.—I was just going to say I think it would be almost impertinent for me to say that, and my remarks have a distinct reference to what may be done in the future.

Mr. GALLIHER.—I wanted that made clear. That is important, I should take it?

By Mr. Monk:

Q. Mr. Holgate, with the knowledge you have acquired of the whole matter of that bridge, your visit to the spot and the inquiry you have made, are you in a position to estimate approximately the cost of building that bridge as it stands now?—A. No, sir, I do not think that anyone can, at this stage, predict what the cost of reconstruction may be with any reasonable degree of accuracy. The data does not exist yet upon which any reasonable estimate can be formed.

Q. Did you refer in your report to the material that remains there? Is there anything of that which can be used, in your opinion? I do not know if you spoke of it in your report?—A. No, sir, we did not enter into that question. That particular question is treated by Mr. Schneider in his report.

Q. I suppose a great deal would depend, in reference to that question, as to what would be the design of the new bridge?—A. Entirely so. It will rest—it is a question of design entirely as to whether any of the substructure or superstructure can be utilized.

By the Chairman:

Q. None of the superstructure would be of any use, would it?—A. I cannot answer that question, because it is a question of design.

The CHAIRMAN.—I thought it was all twisted and in pieces and could not be utilized?

By Mr. Monk:

Q. I want to ask you, Mr. Holgate, if, as far as you know, we have in Canada bridge companies that would be in a position to undertake the construction of this bridge? I am not speaking of the design or plan now, but if we have companies that could do that work?—A. We have in Canada at least two companies who are to-day in a better position to undertake the construction of such a bridge than the Phoenix Bridge Company were when they were awarded the contract.

By the Chairman:

Q. They improved their plant to meet this particular work?—A. Yes, sir.

Q. Would it be easier for them to put themselves in that position than a Canadian concern?—A. No, I cannot see that there would be any difference between the two.

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Q. I suppose once the design is settled, the construction of a bridge a mile long is not much different from the construction of one half a mile long?—A. Well, it all depends upon the magnitude of the members.

Q. Yes?—A. At the present time any Canadian bridge company would have great difficulties, it would be almost impossible for them to build some of the very large members that were in the Quebec bridge; in fact it taxed the Phoenix Bridge Company right to their limit to do that work, but they did it.

By Mr. Galliher:

Q. These designs were all prepared by the Phoenix Bridge Company?—A. I have answered everything in that connection in the report and I would like to avoid, if possible—

Q. Repetition?—A. Repetition, if possible.

Q. I only asked that as leading to another question. These plans were all submitted to Mr. Cooper, the consulting engineer?—A. That is all here (pointing to report). Yes, they were all submitted to Mr. Cooper.

Q. Mr. Cooper's reputation as an engineer, I presume, is beyond question?—A. Oh, yes.

The CHAIRMAN.—Mr. Holgate apparently does not wish to offer any opinion of his own other than is contained in the report, and I presume he wants to adhere to that.

The WITNESS.—The reason is this: anything outside of the matter treated of in the report that I can be of use in answering I would like to answer fully, but anything that is brought up in the report I consider is finished; I have nothing more to say about it.

The CHAIRMAN.—Of course, you can turn up the report and state what you did say there.

Mr. GALLIHER.—What I wanted to get at particularly is in connection with the care that has been exercised by the company in having proper plans made and having them properly supervised by a competent person.

The CHAIRMAN.—I suppose the witness will say you can find that in the report.

By Mr. Galliher:

Q. Is that all dealt with in your report?—A. Yes, sir, everything of that nature.

The CHAIRMAN.—If you will look up the report on your file, Mr. Galliher, you will see that the findings of the commission are all given *seriatim*. It will be perhaps worth your while looking it up.

Mr. CHISHOLM.—They are speaking from a knowledge of the situation subsequently. What Mr. Galliher wants is to find out if proper care was exercised in connection with the preparation of the plans.

The CHAIRMAN.—I think Mr. Galliher's question is a fair one.

Mr. GALLIHER.—I do not propose to go into the technical part of the matter.

The WITNESS.—I quite understand Mr. Galliher.

By the Chairman:

Q. You say in one of your findings, Mr. Holgate (reads):

'The professional record of Mr. Cooper was such that his selection for the authoritative position that he occupied was warranted and the complete confidence that was placed in his judgment by the officials of the Dominion Government, the Quebec Bridge & Railway Co., and the Phoenix Bridge Co. was deserved.'

Q. Do you personally adhere to that?—A. Yes, sir.

Q. Well, is it a fair inference to draw from that, that the government and the Quebec Bridge Company took such precautionary measures as any person or corporation might reasonably be expected to take at that time?—A. With regard to the engineers?

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Q. I mean in view of your statement here, of your finding respecting the record of Mr. Cooper, and your statement that the Dominion government and the Quebec Bridge Company were justified in placing in him the confidence that they did, is it a fair inference that the government and the Quebec Bridge Company took all such precautionary measures as might reasonably then have been expected of them?—A. I do not think you can interpret that as going quite so far. All that statement is good for is just what it says, and that is just where you fall into the difficulty of distinguishing between hindsight and foresight. I will not express an opinion upon that now. The statement that is given there must rule.

Q. If you eliminate your hindsight and transplant yourself back to a month before the bridge fell. You had seen the plans, you knew who the builders were, you knew who the engineer was, and you knew of his reputation; might it not have been your opinion then that the bridge company and the government had taken all precautionary measures that human beings would likely be able to take?—A. Now, at the end of appendix 3 in the report it reads this way :

‘In so far as the integrity of the structure itself was concerned this,’ that is the confidence of the government, ‘was because of the presence of Mr. Cooper as the consulting engineer for the Quebec Bridge Company.’

They had confidence in him at the time.

By Mr. Galliher :

Q. You did not reach the point, Mr. Holgate, and probably rightly, too, you did not wish to express an opinion on it, but you did not reach the point suggested by the chairman, namely, as an engineer yourself and having examined these plans and the structure itself and all that, speaking as if the matter was being originated for the first time, and that no accident had occurred, and that part of the bridge had been built, as an engineer do you think that all reasonable precautions were taken as the chairman has asked?—A. I think that an answer to a question like that at this stage would not be very valuable. But there is just this that I am thoroughly impressed with, that no individual at that time appreciated how big a piece of work the Quebec bridge was. There was a lack of appreciation on the part of everybody.

Q. Even the most eminent engineers in the world?—A. Even the most eminent engineer who was appointed, Mr. Cooper. I do not think I can go any further.

By the Chairman :

Q. There is no question as to his high standing in the profession?—A. Not the slightest.

Q. Was he regarded as the foremost in his profession?—A. I would not say he was regarded as the foremost, but one of the leading engineers in the world.

Q. He is a writer of text books, is he not, on bridge work?—A. Oh yes, he has issued books, text books.

Q. Were his text books used in the engineering course in the universities?—A. Not that I am aware of.

Q. I understand that his text book is used in Cornell?—A. It is not always in a man's favour that his text books are used—he was a wonderfully clever man.

Q. Except this only. That bridge engineering is a good deal like the practice of surgery, you only get knowledge from experience, and if a man can record his knowledge and experience it is some good to somebody else.—A. Oh yes, Mr. Cooper has been a sick man for some time, he is over 70 years of age now.

Q. What is the biggest bridge in Canada to-day and what is the most difficult of construction?—A. Oh, I do not know.

Q. Have you had any experience in bridge building yourself?—A. Yes.

Q. How many years' experience?—A. It has been interspersed all through my life.

Q. Was it a practical or theoretical experience?—A. Both.

By Mr. Galliher:

Q. On what very large bridge has your experience been, Mr. Holgate?—A. Not very large bridges, I should say just ordinary bridges in railway work, up to perhaps 200 or 300 feet span. I think that is probably the largest span I have ever had any responsibility in connection with.

Q. Do you know the Blackwell's Island bridge?—A. Yes.

Q. Do you know, as a matter of fact, that tenders for that bridge were called for in the same way and on the same principle with regard to specifications and design as they were in this Quebec bridge?—A. No.

Q. You do not know that. Do you know anything about the Sydney, Cape Breton, proposed bridge?

The CHAIRMAN.—The Straits of Canso bridge, do you know anything with regard to that?

By Mr. Galliher:

Q. I refer to the Sydney Harbour bridge, New South Wales, not Sydney, Cape Breton?—A. Do I know anything about it?

Q. About the plan or size?—A. Oh yes, generally speaking, yes. When you spoke of Blackwell's Island I did not quite understand your question. I did not have anything to do with the Blackwell's Island bridge.

Q. No, but I understand that in those two bridges I have just mentioned tenders were called for upon specifications and outlines similar to the Quebec bridge, in the same way, and I asked you if you knew that yourself?—A. In the same way, Quebec bridge and Blackwell's Island bridge?

Q. Yes?—A. Oh no, it was not at all the same. They had complete specifications for the Blackwell's Island bridge, and the bridge was designed in the City of New York Bridge Department.

By Mr. Monk:

Q. And built by the Pennsylvania Steel Company?—A. Yes.

By Mr. Galliher:

Q. It does not matter who it was built by, what I am particularly concerned about was as to whether in calling for tenders for the construction of these bridges the same processes had been adopted with regard to plans and specifications that the Quebec Bridge Company adopted with regard to theirs?—A. No, the Quebec Bridge Company advertised for a lump sum price. There were no other tenders. The tenders for the Blackwell's Island bridge was on a rate per pound. So there was a difference there. And besides that, the information issued by the city of New York for those bids was what I would call complete information. Such information as has been issued for most large bridges.

Q. What I was getting at more particularly—you are not getting up to what I meant, but at least if I have understood my information aright—I may be wrong—you made the suggestion as to knowing all the conditions with regard to these bridges and that all the information, etc. was given with regard to these bridges you speak of. Now, was that done in full in all these cases, or were tenders called for in just the same way?—A. Oh, yes, the New York Bridge Commission is a standing body and they undertook the Blackwell's Island bridge. That is a department of the city of New York.

Q. Was that what you had in view when you spoke of the commission suggested?—A. Not exactly on the same organization but similar to that, you know.

Q. The commission in New York that you speak of takes the place, as I understand it, of the company that would be constructing the bridge?—A. No, sir. You see there is a lot of bridge work in New York and they handle all their bridges in this department.

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By Mr. Walsh:

Q. Are the members of this New York commission, bridge experts?—A. Oh, yes.

Q. They are all bridge experts?—A. Oh yes, and they make their own designs, and drawings and specifications. They are a very competent body.

By the Chairman:

Q. Let me have your opinion about this: from your knowledge of everything connected with the project and the Quebec Bridge Company, do you think that the project suffered by reason of a tendency on the part of the bridge company to retrench or to reduce the cost, or is it your opinion that they did everything that a good business organization would have done in that regard?—A. I have not anything to add to appendix No. 5, which treats on that subject particularly.

Q. What does that say? Can you give it to me in a few words?—A. No, sir, you would have to read the whole of it.

Q. Can you give me the sense of it?—A. Well it is all—I think it would be not quite fair to you to extract any part of it. The whole thing is the only—

Q. It is 'The effect of financial limitation upon the design of the bridge and a discussion of the evidence relating to this?'—A. I think that covers it.

By Mr. Monk:

Q. I find in appendix 18 of your report, at page 144 of the printed volume, a statement in regard to cantilever bridges from the Forth and other bridges down to the Quebec bridge from which it would appear that the Quebec bridge is the largest that has ever been built?—A. Oh yes, it is.

Q. The Blackwell's Island bridge has a span of 1,182 ft. and the Quebec bridge a span of 1,800 ft. The Forth bridge was only 1,710 ft.?—A. Quebec bridge was the—

Q. Are there any larger bridges than the Quebec bridge?—A. The Quebec bridge was the largest structure that has ever been attempted.

By Mr. Galliher:

Q. The Forth bridge had the largest span up to that time?—A. Yes, sir.

By the Chairman:

Q. This inquiry by the commission was really a post mortem, Mr. Holgate, was it not?—A. Oh yes.

Q. And it would be far easier for you to discover errors in design and mistakes in the management on the part of the Quebec Bridge Company after the fall of the structure than before, would it not?—A. Well, we had the effects, you see.

Q. It would be much like a surgeon, or a medical man, discovering the direct causes of death by a post mortem? It is just about the same is it not?—A. We reasoned from effects to cause.

By Mr. Galliher:

Q. In the other case you would have to assume that such might or might not be the case? That is before the effect?—A. Possibly, yes.

By Mr. Chisholm (Antigonish):

Q. It is very much easier to find the cause for effects than it is to anticipate results?—A. And then, of course, it has the other advantage that you are able to prove your causes, and we have taken care all through the report to make no assertion that we have not got proof of. Anything that is not proved in the report is stated in such a way that it would not be taken as an assertion without that qualification.

Q. Previous to the disaster, say a week previous, you could not anticipate that a certain thing was going to happen—this, that, or the other thing?—A. A week before the disaster?

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Q. Yes, or say a month before the disaster?—A. Generally speaking, I would say no, taking the problem that you are speaking of.

By the Chairman:

Q. Are the principles of bridge building reduced to a science that is mathematically accurate or is there a large element of speculation?—A. That is all dealt with in the report.

By Mr. Chisholm (Antigonish):

Q. There is one statement that you made when you spoke of competent engineers and you added the qualification 'irrespective of nationality.' What did you mean when you referred to nationality?—A. Because this structure—

Q. I ask the question so as to put the matter right?—A. This structure is too big and too important to run any risks, and it should be considered from a business point and an engineering point first, so that you should not limit yourself to any country in the world to get your engineers from.

By the Chairman:

Q. It does not mean Quebec, of course?—A. We have only one nation in Canada.

Q. You want the widest area of selection possible?—A. Oh, yes, bring in a German, or an Englishman, or an Italian, or any other nationality.

By Mr. Chisholm (Antigonish):

Q. You said there are at least two companies in Canada to-day that are in a better position to undertake the construction of such a bridge than the Phoenix Bridge Company were when they were awarded the contract. Were these two companies in that better position at the time of the awarding of the contract?—A. No.

By the Chairman:

Q. Why is it so difficult to build that bridge? The designer of the bridge that fell assumed too much; he did not go back to correct his figures as to strength and load and all that sort of thing? You start out in building a bridge with certain assumption, don't you?—A. Yes.

Q. As to the structural strength of steel, its dead load and all that sort of thing, and you are supposed to reinforce that by experiments of some kind afterwards, are you not?—A. No.

Q. You know what the weakness in this bridge was, you know that to-day?—A. Yes.

Q. That is that the design was wrong, and I suppose there must be engineers who can make a correct design with the knowledge you have of this bridge?—A. With the knowledge we have now and what knowledge may be obtained in the next year through experiments I think we ought to be in a position—

Q. To design a safe bridge?—A. Economically.

Q. Well now, once you have the design absolutely correct, so far as the standards of your profession go, the construction of it ought not to be so difficult, ought it?—A. The most difficult piece of work of the kind, more difficult than anything that has ever yet been attempted by man.

Q. Would not the designing be more difficult than the construction, it is more important is it not?—A. Everything combines to make it the most difficult piece of work of the kind that has ever been attempted.

Q. How long was the Tay bridge that went down?—A. I do not know.

Q. Roughly speaking?—A. I do not know. I do not remember. It was not a structure like this at all.

Q. It was a suspension, was it?—A. No, it was a series of short spans.

Q. Is cantilever bridge the proper design of bridge for the Quebec bridge?—A. That is a question to be solved by men who are eminently experts. There is no

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man, even the highest expert who would dare to say 'yes' or 'no' to that question to-day.

Q. Is there a tendency on the part of American bridge builders to get the minimum of weight?—A. Well, I think I see what you mean; you mean the design.

Q. A bridge with sufficient strength and a minimum weight?—A. I think it is the aim of engineers irrespective of nationality.

By Mr. Monk :

Q. Do you know, Mr. Holgate, of an opinion given of the Quebec bridge by a French engineer by the name of Eiffel, you have heard of that?—A. No, sir, I cannot say that I have.

By Mr. Chisholm (Antigonish) :

Q. You made the remark just now that no man would say to-day whether the cantilever was the proper kind of bridge for there or not. Was it not generally supposed, previous to the time that this bridge was undertaken, that the cantilever bridge was the best design?—A. It was supposed to be feasible.

By the Chairman :

Q. In finding 'K' of your report you say :

'The failure on the part of the Quebec Bridge and Railway Company to appoint an experienced bridge engineer to the position of chief engineer was a mistake.'

Q. Do you make that finding chiefly from your aftersight?—A. We have found in the report from the evidence that that statement is warranted. No question. I am not going to remove my mind back ten years to say whether I would have done the same thing then or not. The scope of this inquiry is, as you have just called it, a post mortem and it is from the effect reasoned back to the cause, that that is one of the facts that we find.

By Mr. Chisholm (Antigonish) :

Q. You will understand that while the scope of the Royal Commission was post mortem, the scope of this inquiry is different?—A. I quite see that.

Q. It is to see whether reasonable precaution was taken, and while you are perfectly justified in taking the stand you take there, having relation to the Royal Commission's work, I do think it is hardly fair to this committee. What we want to get at is whether reasonable precautions were taken. You find that somebody lacked in knowledge, you find that from the information that you gathered after the disaster. Placing yourself, though, at a point anterior to the collapse of the bridge, would you say that the men in charge were not sufficiently competent?—A. If you will specify which men you mean.

Q. Well, take Mr. Hoare; if the bridge had not gone down, of course everybody would have been all right, but the bridge having gone down there is naturally a tendency to find fault with somebody. But looking at it from the fair standpoint would you say that anybody in the employ of the Quebec Bridge Company, appointed to a position which required technical skill, did not possess that technical skill?

MR. MONK.—You are examining the witness upon something he did not consider. Mr. Holgate spoke of experience, I am not aware that in any part of his report he impugned the ability or the skill of anyone in charge on the work.

MR. CHISHOLM (Antigonish).—Is it not reasonable under the circumstances—
THE CHAIRMAN.—Say, subject to all human limitations.

By Mr. Chisholm (Antigonish) :

Q. Looking at it in that light, did the Quebec Bridge Company in your opinion exercise reasonable precaution?—A. I do not think they did.

Q. In what way?—A. They should have had a special bridge man there, the whole question—

Q. Was Mr. Cooper the man?—A. Mr. Cooper was never on the ground, poor Mr. Cooper could not get there, you know.

Q. He was the responsible man, wasn't he?—A. He was consulting engineer and actually acted as chief engineer.

Q. Did Mr. Hoare depend upon him?—A. Entirely.

Q. In that case I comprehend the meaning of your answer to be that under the circumstances there was nothing unreasonable in the position the Quebec Bridge Company took when they engaged Mr. Hoare?—A. I think the placing the responsibility on Mr. Hoare indicated that the Quebec Bridge Company did not appreciate what responsibility rested with the chief engineer. I think they did an injustice to themselves and also to Mr. Hoare.

Q. That is speaking from what transpired afterwards, but if the bridge had not collapsed at all, if it had gone on successfully?—A. The fact would have been the same.

By the Chairman:

Q. You find that this collapse was due to an error in design. What difference would it have made if the Quebec Bridge Company had 21 of the best bridge builders in the world there. With Mr. Cooper's design before them, approved, his approving of the specifications, he being the man in charge, and known to everybody in America as being at the head of his profession, what could the man on the spot do other than follow out the design?—A. It would make a very long story to tell, but a great deal depends on his judgment on the ground from day to day, and the communications he would have with the consulting engineer, the observations made, &c. I think the whole matter is fairly dealt with in Appendix 7, and anything I can say would not enlarge that.

By Mr. Chisholm (Antigonish):

Q. Mr. Birks was on the work, wasn't he?—A. Yes.

Q. Were there mechanical engineers there?—A. Mr. Birks was the Phoenix Bridge Company's representative engineer there.

Q. He went down there on the work?—A. Yes, and he had Mr. Yenser, the Phoenix Bridge Company's foreman, and he was in full charge.

Q. They had a number of engineers on the work?—A. They had Mr. Birks, he was the only engineer there.

Q. They would have mechanical men there?—A. Oh yes.

By the Chairman:

Q. If you had viewed that bridge yourself personally a month before the collapse could you have discovered the defects in the design?—A. I certainly could not.

Q. Mr. Szlapka is a good man?—A. Oh, yes.

Q. Is the Phoenix Bridge Company a good organization?—A. Very good.

Q. There is no better in the United States?—A. It is a very difficult matter to compare. I should say they are very good, very competent and very careful.

Q. They are good men?—A. Excellent, excellent people.

By Mr. Monk:

Q. Do you know how old Mr. Cooper is to-day?—A. I think he has just turned 71. I think he is in his 72nd year.

By the Chairman:

Q. I suppose your whole story is they undertook a work which the engineering profession was hardly able to cope with, or any one single man?—A. I think that is true. At any rate, no one engineer was able to cope with it, and that the bigness of the enterprise was not appreciated I also believe.

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Q. It was a laudable enterprise for a small company to undertake. I suppose you will admit that?—A. It was a national undertaking of great importance, certainly.

By Mr. Chisholm (Antigonish):

Q. You do not mean to convey the idea that it is not a feasible project?—A. Oh not at all. A bridge can be built there.

By Mr. Parent:

Q. A minute ago you gave your reason for reconstruction?—A. Yes.

Q. As to what should be done. This is your opinion as an engineer?—A. Yes.

Q. You do not pretend that somebody else may not entertain some other opinion?

A. I did not quite catch your question?

Q. You do not pretend that other engineers may not hold a different opinion from what you entertain?—A. I put this in as my own opinion. I have consulted nobody in giving this opinion.

Q. Have you yourself built any cantilever bridge?—A. No. It is not a question of cantilever bridges, it is a question of a large project involving tremendous figures and knowledge of engineering which is really in advance of the present time.

Q. You do not consider yourself an expert bridge engineer?—A. I do not.

By Mr. Monk:

Q. Will the piers that are there now serve in case of new construction?—A. That will all depend upon the nature of the design for the new bridge. It may be found better to abandon them entirely, and it may be found that they can be utilized. That is a question that will have to be left to the expert engineers who are appointed to consider the whole subject.

By Mr. Chisholm (Antigonish):

Q. You would not say that a mistake was made in location?—A. I think that question is not up just now.

Q. That is right?—A. I don't think anyone is prepared to discuss it at the present time anyway.

Witness discharged.

M. PARENT reprend son témoignage:

Par M. Monk:

Q. M. Parent, vous avez parlé en dernier lieu d'une somme de huit cent mille piastres, approximativement qui a été payée par le gouvernement par l'entremise de la banque de Montréal aussitôt après l'arrangement d'octobre 1903; ce montant-là pour être payé par le gouvernement a dû être autorisé par votre bureau de direction?—R. Parfaitement; cela faisait la base des statuts de 1903.

Q. C'est la compagnie du pont qui a autorisé ce paiement-là; il a été fait par l'entremise du gouvernement?—R. Il a été payé par le gouvernement à l'acquis de la compagnie et à même les débentures autorisées par le gouvernement, garanties par le gouvernement.

Q. Pourquoi après cela les paiements ont-ils été faits par votre compagnie, et pourquoi ces premiers paiements ont-ils été faits par le gouvernement?—R. Parce que le gouvernement avait tous les comptes en main; les estimés des ingénieurs, le montant fixé par le statut... : au lieu de payer à la compagnie—ce qui aurait été la même chose—il a payé directement à la banque.

Q. Sont-ce ces sommes qui ont été auditées par M. Bell, l'auditeur du département des Chemins de fer?—R. M. Bell a audité tout compris depuis 1903.

Q. Avez-vous le détail de ces paiements ?—R. Non, monsieur ; je n'ai rien moi-même.

Q. Ils sont contenus dans l'audition de M. Bell ?—R. Je crois que oui.

Q. Avez-vous dit ce qui restait de réalisable dans les débetures aujourd'hui ?—R. Je crois qu'il doit rester aujourd'hui entre huit ou neuf cent mille piastres à la banque de Montréal, la banque étant payée.

Q. La compagnie du pont de Québec a-t-elle reçu des avances depuis le désastre ?—R. Du gouvernement ?

Q. A même les débetures ?—R. Oui, monsieur ; il y a eu un compte spécial pour les frais d'administration.

Q. A combien s'élève ce compte ?—R. C'est dans l'état qui vous a été fourni par M. Ross ou M. Bell ; c'est dans le compte qui a été produit déjà.

Q. C'est une somme considérable ; pouvez-vous dire en quoi elle se décompose pour les frais d'administration ?—R. Les frais d'administration consistent en bien peu de choses ; ce que M. Butler a approuvé jusqu'à ce moment pour le loyer ou les employés de la compagnie est payé ; maintenant, depuis un certain temps on a discontinué de payer le salaire du secrétaire et de l'ingénieur.

Q. Le paiement de ces salaires est-il suspendu ?—R. Il est déjà suspendu maintenant par le gouvernement, mais pas pour la compagnie ; le gouvernement ne paie pas.

Q. Avez-vous une entente avec les officiers de la compagnie, tels que le secrétaire-trésorier, l'ingénieur en chef par rapport aux salaires ?—R. D'après l'opinion de nos aviseurs leur temps finira au mois de septembre prochain ; nous ne pouvons pas les mettre à la porte avant que leur temps soit expiré.

Q. Alors, le salaire de ces trois employés court actuellement d'après l'opinion de vos aviseurs ?—R. Contre la compagnie, mais le gouvernement ne les paie pas.

Q. Mais c'est une dette de la compagnie, d'après vous ?—R. Oui, monsieur ; spécialement considérée comme telle.

Q. Est-ce qu'il y a des actions de prises contre la compagnie du pont de Québec, à l'occasion de ce désastre, des poursuites ?—R. Pas à ma connaissance, je n'ai pas vu de ces actions devant le bureau.

Q. La *Phoenix Bridge Company* a-t-elle été poursuivie à Québec ?—R. Oui, monsieur ; on me dit qu'elle est poursuivie.

Q. Par plusieurs des intéressés ?—R. Oui, monsieur ; par plusieurs des intéressés.

Q. Avez-vous eu occasion de vous assurer quel est le montant des poursuites ?—R. Non, monsieur ; je sais qu'il y a eu plusieurs actions de prises, d'après ce que m'a dit l'ingénieur, mais je n'en connais pas les montants ; d'ailleurs le montant n'indique pas toujours le valeur réelle d'une réclamation, parce qu'une action se prend quelque fois pour dix mille piastres quand ensuite elle se règle pour mille.

Q. Est-ce que les parents de toutes les victimes ont pris des actions ?—R. Je ne pense pas que tous en aient pris.

Q. Pouvez-vous dire à peu près la proportion ?—R. Je ne puis pas dire, parce que cela ne me concerne pas ; la *Phoenix Bridge Company* règlera ses affaires elle-même ; la compagnie du pont de Québec prétend ne pas être responsable des pertes de vies qui ont eu lieu là.

Q. Mais dans le cas d'un règlement avec le gouvernement, ne croyez-vous pas que ces matières doivent être prises en considération ?—R. Bien, la compagnie du pont de Québec n'étant pas responsable, le gouvernement n'a rien à faire avec elle.

Q. Avez-vous une opinion de vos aviseurs que la compagnie du pont de Québec n'est aucunement responsable du désastre vis-à-vis les victimes ?—R. Oui, monsieur.

Q. Vous avez cette opinion ?—R. Je crois que nous avons l'opinion donnée conjointement par l'honorable M. Casgrain, par M. Taschereau et par M. Edouard Dorion, avocats. La compagnie du pont de Québec n'est pas responsable des pertes de vies ou des dommages causés par les blessures ou autrement, ce ne sont pas les employés de

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la compagnie du pont de Québec, mais les employés de la *Phoenix Bridge Company*, et c'est cette dernière qui doit être tenue légalement responsable de cet accident, quoique, naturellement, la *Phoenix Bridge Company* prétend n'avoir aucun tort. Dans tous les cas l'opinion des aviseurs que nous avons consultés et que je viens de nommer est que la compagnie du pont n'est pas responsable de cet accident.

Q. En fait d'actif, la compagnie du pont de Québec a-t-elle directement ou indirectement aujourd'hui quelques propriétés immobilières, à part des approches du pont ?—R. A part des approches du pont, je n'en connais pas.

Q. Il n'y a pas d'option sur les terrains ?—Pas que je sache

Q. Mais vous le sauriez s'il y en avait, vous êtes le président ?—R. Bien, du moment que je n'en connais pas, il ne doit pas y en avoir ; tout ce qui s'est dit à propos d'options soit sur le parquet de la chambre ou ailleurs est complètement faux.

Q. Votre compagnie s'est-elle mise en communication avec le gouvernement après le désastre ; a-t-elle fourni au gouvernement des renseignements sur l'état des affaires de la compagnie ?—R. La compagnie a été demander au gouvernement de lui aider à payer les frais d'administration en attendant que la question se règle au point de vue du gouvernement, savoir s'il devait reprendre le pont ou non.

Q. Avez-vous soumis au gouvernement ou à quelqu'un de la part du gouvernement un état des affaires de la compagnie ?—R. L'auditeur du gouvernement, M. Bell, était envoyé chaque mois faire l'audition des livres ; il était absolument au fait des affaires de la compagnie ; M. Butler était obligé d'examiner les comptes pour les faire payer, le gouvernement ne pouvait pas être plus au fait qu'il l'était.

Q. La compagnie s'est-elle adressée au gouvernement au sujet de ce qu'elle avait à faire dans cette occurrence ?—R. Nous avons eu une entrevue avec le premier ministre et M. Fielding dans le temps, aussi, dans l'intérêt de la compagnie du pont pour demander de l'aide additionnel ; c'est la seule communication que nous avons eue avec le gouvernement.

Q. Est-ce qu'il y a de la correspondance à ce sujet ?—R. Non ; cela a été fait verbalement.

Q. Que demandiez-vous au gouvernement ; de l'aide ; à ce qu'il assume... ?—R. Nous voulions que le gouvernement avance les frais d'administration, jusqu'à ce qu'il décide de prendre le pont de la compagnie.

Q. Quelle est l'attitude de la compagnie du pont aujourd'hui ; la compagnie prétend-elle continuer ce travail-là elle-même ?—R. Non, monsieur ; d'ailleurs, lors de l'arrangement de 1903, par le fait que le gouvernement se donnait le droit de reprendre le pont en remboursant aux actionnaires leur stock plus dix pour cent, et cinq pour cent d'intérêt, cela nous mettait parfaitement hors de toute action possible.

Q. Faites-moi comprendre quelle est l'attitude de la compagnie aujourd'hui ; est-ce qu'elle demande au gouvernement de lui continuer son aide, ou demande-t-elle au gouvernement de reprendre, d'exercer son option ?—R. La compagnie aujourd'hui n'est pas en position de dicter au gouvernement ce qu'elle veut avoir ; je crois qu'elle a une idée bien définie, c'est que le gouvernement devra prendre le pont et en faire sa chose, lors même que la compagnie demanderait autre chose, mais la compagnie ne le demande pas.

Q. Vous rappelez-vous combien de contrats distincts vous avez faits avec la *Phoenix Bridge Company* ; toute la construction n'a pas été comprise dans le même contrat ?—R. Tous les contrats sont produits.

Q. De mémoire pouvez-vous dire combien vous avez fait de contrats ; cela a été divisé en trois, quatre ou cinq, je crois ?—R. Le contrat principal renferme à peu près tout ; je crois qu'il y a eu un petit contrat de passé pour les piliers d'ancrage, mais quant aux grosses entreprises il n'y a qu'un contrat. Tous les contrats ont été mis entre les mains des commissaires royaux ; ils sont produits ici.

Q. Je trouve un contrat du 12 avril 1900 avec la *Phoenix Bridge Company* pour approches et "spans", du 19 décembre 1900 et un troisième contrat du 19 janvier 1903,

avec la *Phoenix Bridge Company* quant au "span", à l'arche principal; est-ce qu'il y a eu d'autres contrats que ces trois-là ?—R. Non, monsieur ; pas que je sache.

Q. Quant à M. Davis, il se trouve, n'est-ce pas, avoir fait un profit de quarante pour cent sur les débentures ?—R. Peut-être à votre point de vue, mais pas au mien.

Q. Expliquez-moi donc votre point de vue ; est-ce qu'il n'a pas eu un profit de quarante pour cent sur les débentures ?—R. M. Davis comme entrepreneur du pont de Québec, devait être payé en argent ; nous lui avons payé quatre-vingt pour cent en argent ; nous lui avons payé vingt pour cent qui restait sur les débentures, les débentures intérimaires de 472,000 piastres ; pendant que les travaux se faisaient pour notre compte, lui payait des intérêts à la banque, tandis que pour nous les travaux marchaient sans payer d'intérêts ; les débentures ne portaient pas intérêt, excepté après la complétion des travaux à la fin de décembre 1902. Alors, M Davis n'a pas fait 40 pour cent ; il faut déduire l'intérêt qu'il a payé à la banque ; pendant ce temps-là nous devons ce montant-là que nous ne payions pas.

Q. Voulez-vous dire qu'il empruntait à la banque sur ses débentures ?—R. Certainement, à la banque qui lui fournissait les fonds ; naturellement, il était obligé de payer un intérêt sur l'argent avancé par la banque ; nous autres, nous ne payions rien.

Q. Enfin, cet intérêt sur une couple de cent mille piastres pour le temps que cela a couru, n'était pas considérable ; ce n'est pas une raison pour dire qu'il n'a pas fait quarante pour cent sur la valeur des débentures ?—R. Quand même cela aurait été trente mille piastres, ces trente mille piastres ôtées sur le montant ne donneraient pas quarante pour cent ; il faut tenir compte de la position de la compagnie ; ce qui peut paraître un avantage pour monsieur Davis, par l'arrangement de 1903 n'en est pas un ; si le gouvernement n'avait pas garanti les débentures, il avait pris un fort risque.

Q. Il avait pris un fort risque ?—R. Un fort risque à mon point de vue, en avançant de l'argent à une compagnie qui n'avait autre chose que des subsides obtenus du gouvernement.

Q. D'après votre calcul, donc les débentures ne valaient rien ?—R. Je ne suis pas prêt à dire que les débentures ne valaient rien, mais elles ne valaient certainement pas soixante cents dans la piastre pour une corporation commerciale ; nous ne pouvions pas placer cela à cinquante ou soixante pour cent dans le temps. Ce que nous devons considérer était le marché au point de vue de la compagnie ; dans ce temps-là, la main-d'œuvre était bon marché, les prix qui nous étaient soumis étaient raisonnables ; tout ce qu'on avait à faire c'était de courir la chance d'obtenir de bons résultats, c'est-à-dire qu'en 1903 les \$472,000 sur lesquels vous prétendez que l'on a obtenu une somme de 60 pour cent ne représentait réellement que le montant de l'ouvrage. Si au lieu de bâtir en 1900 nous avions bâti en 1903, ça aurait fait une différence et comme question de fait la compagnie du pont a bénéficié même des avantages du temps.

Q. Quand vous avez acquis la quasi certitude ou plutôt la certitude, puisque vous l'aviez, que le gouvernement allait payer les débentures au pair, n'était-ce pas de votre devoir comme hommes d'affaires de régler avec M. Davis ce que vous lui deviez, ce qui lui était dû réellement pour les travaux faits au lieu de lui fournir l'occasion de faire cette spéculation-là ?—R. Si nous avions eu l'argent à notre disposition pour faire ce que vous suggérez là, probablement que nous l'aurions fait, mais même en ne le faisant pas nous considérons encore faire un bon marché pour la compagnie.

Q. N'est-ce pas pour cette raison que le gouvernement a exigé de vous que cet escompte de 40 pour cent fût payé par d'autres que par lui avant de donner la garantie sur les débentures ?—R. Quand nous avons bâti ces piliers-là, et que nous nous trouvions à court d'argent, nous avons jugé à propos de faire une demande au gouvernement ; la question est venue sous la forme de garantie des débentures ; maintenant, je ne puis pas dire que c'est la raison pour laquelle le gouvernement a exigé

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le paiement des 200,000 piastres en stock ; ce n'est certainement pas une raison qui a été discutée avec moi ; mais il y avait ceci : le gouvernement voulait que la compagnie du pont souscrive un montant de 200,000 piastres afin d'intéresser davantage les gens de Québec qui voulaient entrer dans l'entreprise et surtout pour avoir l'appui des compagnies de chemins de fer qui désiraient aussi entrer dans cette affaire.

Q. Pourquoi le gouvernement exigeait-il que la somme de 200,000 piastres fut employée avant l'émission des bons à éteindre l'escompte, aux termes de l'arrangement?—R. Je crois que le gouvernement a jugé à propos de faire la chose mais il n'y a pas eu de raisons données dans le temps.

Q. En définitive la chose n'a pas été faite?—R. Elle a été faite plus tard.

Q. Ne croyez-vous pas qu'il eût été mieux puisque les débetures ne valaient rien au dire des directeurs de faire un compromis avec monsieur Davis et de lui dire : Les valeurs que vous avez ne valent rien, donnez-nous une option pour les racheter dans un certain délai?—R. Si vous lisez le contrat vous constaterez que nous avions droit de rembourser nos débetures, de faire un "pool" pour ces mêmes débetures ; mais la chose n'a pas été faite.

Q. Monsieur Davis a toujours bien fait un profit de 180 et quelques milles piastres?—R. Si monsieur Davis avait fait un contrat à un prix plus bas que les ouvrages lui coûtaient alors, au lieu d'avoir un profit, il avait une perte.

Q. Quels sont les intérêts dont vous parlez?—R. Ce sont les intérêts pour l'argent qu'il avait obtenu pendant qu'il faisait l'ouvrage pour nous et que nous ne payions pas.

Q. Des escomptes à la banque?—R. Certainement ; la banque n'avancait pas d'argent à monsieur Davis sans intérêts.

Q. Comment savez-vous qu'il était obligé d'avoir recours à l'escompte?—R. Parce que j'ai vu le compte de banque dans le temps et c'était un fait notoire pour ceux qui étaient en relations avec monsieur McDougall.

Q. Savez-vous à combien se montent ces intérêts?—R. Ils doivent se monter entre vingt et trente mille piastres.

Q. Pour des avances d'argent?—R. L'intérêt sur des avances pour le pont de Québec.

Q. Pourquoi faisait-il cela, puis qu'il avait 96,000 piastres comme vous avez dit ce matin?—R. Je vous parle de 1902 : le chèque est venu en 1904 : c'est bien après cela, c'est après la souscription du nouveau stock ; ce n'est pas la même transaction.

Q. Expliquez-moi donc cette affaire des intérêts. Quand la compagnie du pont a-t-elle commencé à payer des intérêts sur ces débetures?—Quand monsieur Davis a fini les piliers, a fini la sous-structure du pont, vers le mois de décembre 1902, nous ne payions pas d'intérêts : nous ne payions pas d'intérêts sur les débetures de monsieur Davis de 1900 à 1902.

Q. Avez-vous connaissance, monsieur Parent, que des plans ou des devis ont été soumis au gouvernement après 1903 pour approbation?—R. Après l'arrangement de 1903 il y a eu des plans qui ont été soumis au gouvernement pour approbation et qui ont été approuvés.

Q. Approuvés par le gouvernement?—R. Oui, monsieur ; pour se conformer aux statuts de 1903.

Q. Si je comprends bien le rapport de la Commission Royale, le gouvernement après 1903 n'a pas exercé la faculté d'approuver les plans qu'il possédait?—R. Bien, les plans de détails?

Q. Ont-ils été soumis au gouvernement?—R. Non, monsieur ; les plans de détails étaient soumis à l'ingénieur qui était monsieur Cooper, à New-York ; après que le gouvernement eût accepté monsieur Cooper comme ingénieur, monsieur Cooper avait le contrôle exclusif de l'entreprise au point de vue des plans, des plans de détails fournis au jour le jour ; et pour ceux qui ne connaissent pas les plans de la compagnie je dois dire que nous en avons à peu près suffisamment pour remplir cette salle.

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Q. Je trouve d'après les documents que le gouvernement avait décidé de choisir un autre ingénieur?—R. Non, monsieur; il doit y avoir un ordre en conseil par lequel monsieur Cooper a été accepté par le gouvernement alors que monsieur Nichol a été mis de côté.

Q. Eh bien, l'ordre en conseil du 21 juillet 1903 autorise spécialement monsieur Schreiber à choisir un ingénieur spécialiste pour faire rapport sur les plans, et cet ordre-là a été rescindé le 15 d'août 1903 avec l'entente que la compagnie continuerait à avoir le contrôle sur les plans, mais je ne trouve nulle part que le gouvernement a choisi monsieur Cooper pour ingénieur?—R. Il a été choisi par le gouvernement pour ingénieur; je ne connais pas le rapport de la commission, mais comme question de fait il n'y a pas de doute que monsieur Cooper agissait pour la compagnie du pont de Québec dans le temps.

Q. Alors, monsieur Cooper était l'ingénieur de la compagnie *Phoenix*?—R. Non, monsieur; il était ingénieur de la compagnie du pont de Québec et l'ingénieur de la compagnie *Phoenix* était monsieur Szlapka.

Q. Qui vous a mis en rapport avec monsieur Cooper, n'est-ce pas la *Phoenix Bridge Company*?—R. Non, monsieur; nous avons à cette époque fait de la correspondance; nous nous sommes informés où était le meilleur ingénieur; il y a eu plusieurs noms de donnés et nous nous sommes arrêtés sur monsieur Cooper comme étant l'homme le plus compétent; il était le meilleur des trois qui nous avaient été suggérés.

Q. Alors, vos prétentions en résumé c'est que monsieur Cooper était en même temps ingénieur de la *Quebec Bridge Company* et ingénieur du gouvernement?—R. Ingénieur de la compagnie du pont, et ingénieur du gouvernement après que monsieur Nichol eut été éliminé pour monsieur Cooper qui résignait si monsieur Nichol était nommé; monsieur Cooper ne voulait pas qu'un ingénieur qu'il considérait inférieur à lui-même lui fut adjoint quand il encourrait lui-même les risques.

Q. Le bureau de direction n'a-t-il pas fait quelques estimés de ce qu'il faudrait pour finir le pont?—R. Bien, ces estimés sont à peu près les mêmes qu'auparavant.

Q. Pouvez-vous dire au comité ce qu'il y aura à faire pour compléter le pont, en faire un neuf, enfin faire le pont?—R. Nous ne pouvons pas dire cela aujourd'hui, avant qu'une commission d'ingénieurs décide ce qu'il y a à faire; si l'on peut employer les piliers actuels et une partie de l'acier manufacturé, l'entreprise coûtera bien meilleur marché qu'au cas où nous serions obligés d'avoir de nouveaux piliers et une superstructure nouvelle; il y a des ingénieurs qui pourront répondre à cela. Si vous prenez les piliers actuels et une partie du matériel, je crois encore que le pont pourrait se construire pour sept ou huit millions de piastres, y compris les approches; si vous ajoutez à cela les pertes,—la question sera décidée quant à la responsabilité,—je présume que cela peut aller entre neuf ou dix millions de piastres.

Q. Si le gouvernement s'empare de l'entreprise, d'après vous, d'après votre interprétation, est-ce qu'il devra rembourser le gouvernement de Québec et la ville de Québec de ce que ces deux parties ont contribué?—R. Je crois que le statut donne la faculté au gouvernement de les mettre dans la même position que le gouvernement fédéral lui-même, c'est-à-dire qu'ils se trouveront conjointement intéressés dans l'entreprise.

Q. Quel statut est-ce?—R. De 1903; je ne l'ai pas eu depuis ce temps-là; seulement le gouvernement devra rembourser la municipalité et la province de Québec des subsides qu'ils ont votés s'ils le désirent; je crois que la clause de statut les met sur le même pied, s'il y a des dividendes à retirer, quelque chose comme cela.

Q. Le salaire de M. Cooper court-il encore aujourd'hui?—R. Non, monsieur.

Q. Il avait droit à tant par année?—R. Oui, monsieur; quand il a travaillé pour nous; mais depuis que le pont s'est écoulé il n'a rien à faire.

Q. Etes-vous certain qu'il n'est pas retenu à trois mille piastres et quelque chose comme ingénieur-consultant?—R. Je ne crois pas que M. Cooper ait l'intention d'envoyer de réclamation comme ingénieur; il sera responsable comme contracteur des

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dommages encourus qui sont surtout arrivés par sa faute. Lorsque M. Cooper ne venait pas au pont de Québec il envoyait assez souvent son associé, M. Berger, pour le remplacer; ce dernier était aussi un ingénieur très capable.

Q. Je vois qu'il est question dans la clause 21 de la convention d'octobre 1903 du règlement des créances ou des contributions du gouvernement et de la ville de Québec?—R. Oui, monsieur.

Q. Est-ce que ceci a été accepté par le gouvernement et la ville de Québec; étiez-vous maire de la ville de Québec dans le temps?—R. C'est moi qui ai insisté pour avoir cette clause.

Q. La ville ainsi que le gouvernement de Québec sont liés suivant vous?—R. Oui, monsieur.

Q. Est-ce que la ville et le gouvernement de Québec ne pourront pas si le gouvernement fédéral s'emparait du pont réclamer le remboursement de leurs contributions?—R. Vous avez le statut devant vous, vous pouvez vous rendre compte de la portée de ces créances.

Q. Je vous demande si ce n'est pas là la véritable position aujourd'hui?—R. Tous les droits que le gouvernement et la ville de Québec pourront exercer, ils les exercent; le statut parle par lui-même, vous pouvez l'interpréter comme vous voudrez.

Q. Alors, il n'y a rien que vous puissiez nous dire en dehors de la clause 21?—R. Non, monsieur; cela forme la base d'un contrat; elle vaut ce qu'elle vaut.

Q. Vous ne vous êtes jamais assuré quelles seraient les dispositions du gouvernement et de la ville de Québec si le gouvernement exerçait son pouvoir de prendre le pont?—R. Non, monsieur, c'est une obligation qu'on a imposée au gouvernement fédéral, ce sera à lui à y voir.

Q. Je vous demande en votre qualité de président de la compagnie du pont si vous pouvez dire ce qui arrivera; est-ce que la ville et le gouvernement de Québec réclameront?—R. Quand le gouvernement fédéral prendra l'entreprise, il verra ce qu'il pourra faire avec ces parties-là.

Q. La chose est indécise?—R. Je ne connais rien; je ne connais pas les intentions du gouvernement.

Q. Depuis le désastre, vous ne vous êtes pas informé?—R. Le gouvernement étant juge dans la matière, c'est à lui de décider ce qu'il fera.

Q. Si le gouvernement vous demandait ce qu'il va advenir de la somme de 550,000 piastres, contributions de la ville et du gouvernement de Québec?—R. Je dirais au gouvernement qu'il faut s'informer.

Q. Vous n'avez pas de doutes qu'on réclamera le remboursement, avec votre expérience?—R. C'est plus que je ne peux dire; c'est une entreprise nationale qui intéresse tout le monde; il est bien possible, vu l'accident, que ces corporations se désisteront volontairement; si j'étais premier ministre de la province de Québec, j'agiserais dans ce sens.

Q. Si le gouvernement fédéral entreprenait de finir les travaux?—R. Il faut bien remarquer que quand ces corporations ont souscrit à l'entreprise, elles l'ont fait sans espoir d'être remboursées.

Q. Croyez-vous que les actionnaires vu que c'est une entreprise nationale et patriotique renonceront au remboursement de leurs parts?—R. Quant à moi personnellement, si c'était une question de vie ou de mort pour le pont, je suis prêt à déclarer que je ne retiendrais pas un sou de mon argent; je n'aurais pas d'hésitation en autant que je suis concerné à renoncer au montant de mes actions, parce que quand je suis entré dans l'entreprise, je ne l'ai pas fait dans un but de spéculation; je l'ai fait dans un but philanthropique, pour l'intérêt de la ville de Québec.

Q. Je trouve qu'il s'agirait pour désintéresser les actionnaires, conformément à la convention de 1903 de donner à peu près 387,500 piastres; il y a 250,000 piastres en chiffres ronds et un bonus de 10 pour 100 qui représenterait 25,000 piastres, soit \$387,500; c'est une somme considérable?—R. Bien, le capital-actions avec les 10 pour

100 est de \$291,500 que le gouvernement aurait à payer aux actionnaires à part de l'intérêt simple à ajouter; en retour de cela le gouvernement prend possession de tout ce qui appartient à la compagnie, c'est-à-dire de ce qui a été mis dans l'entreprise aujourd'hui, des \$263,000 de stock qui ont été dépensées dans l'entreprise; de plus le subside de la ville de Québec se monte à \$290,000 net, l'escompte enlevé sur les \$300,000, et les \$250,000 du gouvernement local en outre des \$374,000 que le gouvernement fédéral a fourni sur son million; le gouvernement se libérant par le fait de \$625,000, la balance de son million.

Q. Depuis 1903, il est exempté de payer la balance de son million?—R. Oui, monsieur, par les arrangements qu'il a faits. Je dois dire que si aujourd'hui les piliers et les ouvrages qui existent pouvaient être utilisés, si les piliers qui ont coûté un million et quart à la compagnie vous ne pourriez pas les construire pour deux millions de piastres, alors le gouvernement a un bénéfice.

Q. C'est une question de savoir si l'on se servira de ces ouvrages; vous avez entendu le témoignage de monsieur Holgate?—R. Quant à utiliser tous les ouvrages les ingénieurs décideront cela plus tard; mais assumant le cas que ces piles-là peuvent être utilisées vous avez une valeur d'au-delà de deux millions lorsqu'elles n'ont coûté qu'un million et quart.

Q. Si les choses se passent comme nous avons tout lieu de croire qu'elles se passeront, le gouvernement outre les six millions et quelques cents mille piastres qu'il a dépensées va être obligé de dépenser encore au moins autant avant que l'entreprise soit terminée. Ne croyez-vous pas qu'avec des précautions ordinaires, nous aurions pu avoir un pont bien meilleur marché qu'avec douze ou quinze millions?—R. Non, monsieur; lors même que vous bâtiriez le pont en neuf il ne peut pas être question de douze millions de piastres.

Q. Quand on a demandé de voter un subside d'un million on a dit que le pont coûterait quatre millions de dollars?—R. Je crois que d'après le *Hansard* l'opinion était d'avoir un pont pour chemin de fer; quand le gouvernement de Québec a voté son subside, il a fait une condition spéciale que ce devait être un pont pour voitures et pour piétons; alors, les plans ont été ensuite modifiés.

Q. Nous avons six millions de piastres qui sont disparus et s'il reste à peu près \$600,000 en chiffres ronds sur les débetures...?—R. Vous avez l'approche du pont qui a occasionné une dépense d'un million de piastres; vous avez les piliers et le métal d'ancrage qui sont là, qui ne sont pas disparus; vous avez là d'après ce que je peux voir au moins trois millions de piastres en actif qui n'est pas disparu.

Q. Croyez-vous qu'il est possible pour nous de terminer tout, de faire face à toutes les dépenses que cela va occasionner avec six millions de piastres nouveaux?—R. Je crois que ça coûterait beaucoup moins que six millions.

Q. Beaucoup moins?—R. Oui, monsieur.

Q. Eh bien, à peu près; cinq millions, pensez-vous?—R. Naturellement, je ne suis pas ingénieur, mais c'est ma conviction intime que vous pourriez reconstruire le pont de Québec, le pont proprement dit pour moins de cinq millions de piastres.

Q. Dans le temps de l'arrangement d'octobre 1903, vous prétendiez qu'avec les débetures du gouvernement vous pouviez finir le pont; vous avez dit cela dans vos communications avec le gouvernement; or, vous savez que même si le pont ne s'était pas effondré, nous ne le finissions pas avec six millions de piastres?—R. Le pont et les approches sont deux choses différentes; j'ai parlé des approches du pont, mais non du pont proprement dit.

Q. Mais dans la lettre qui nous a été lue au Parlement, vous disiez au premier ministre en 1903 qu'avec ce que donneraient les débetures garanties par le gouvernement, l'on finissait complètement le pont; et vous savez que l'on aurait pas pu le finir; même en excluant les accidents, il aurait fallu une couple de millions au moins de plus?—R. Je ne suis pas prêt à dire que c'est ce que la compagnie a dit exactement; je voudrais avoir devant moi ce qu'en a soumis; je ne sache pas qu'on a dit cela.

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Q. A la fin d'une lettre du mois de d'octobre 1903, qui est ici, vous dites que le coût estimatif de l'entreprise terminée est d'environ six millions neuf cent mille piastres?—R. Ça fait sept millions cela; ça ne fait pas loin de sept millions.

Q. Sur les contrats il reste beaucoup de dû encore, si ça été acheté d'une manière normale?—R. Pas beaucoup autre chose que la main-d'œuvre, parce que les estimés sont payés pour l'ouvrage fait à Phoenixville; du moment que l'ouvrage finissait à Phoenixville nous payions pour l'ouvrage; nous avions un homme sur les lieux; le gouvernement avait un homme là aussi. L'acier est presque tout prêt, et si nous pouvions utiliser les piliers et une partie de l'acier qui est manufacturé, nous pourrions construire à bien meilleur marché. Maintenant, l'ingénieur d'après les prix soumis pourra dire si cela peut se faire ou non; d'après mes informations, cela peut se faire. Le pont peut se construire en modifiant les plans, sur les piliers actuels; de sorte que ça ferait une économie considérable si la chose est possible.

Q. Quelles sont les dépenses mensuelles pour salaires et loyer actuellement, ce qu'on appelle dépenses courantes?—R. Une bagatelle, une douzaine de cents piastres par mois en chiffres ronds.

Q. Ça comprend le trésorier, le secrétaire et l'ingénieur?—R. Oui, monsieur; et un clavigraphe.

Q. Combien payez-vous par mois aux officiers?—R. Nous payons le secrétaire sur le pied de \$2,400 par année, ce qui fait deux cents piastres par mois; nous payons le trésorier cent piastres par mois; cela fait trois cents piastres par mois; l'ingénieur cinq cents piastres, ce qui fait huit cents piastres par mois; vous avez après cela cent piastres pour différentes dépenses par mois, cela fait neuf cents piastres; à part le loyer, c'est tout ce qu'il y a dans les dépenses de la compagnie.

Q. A combien se monte le loyer?—R. Le loyer coûte comme six ou sept cents piastres par année; je crois que nous ne payons pas cher pour ce loyer; nous avons loué assez bon marché du juge Bossé.

Q. Avez-vous des hommes employés à garder le pont, ou ce qui est resté du pont; est-ce qu'il n'y a pas de dépenses occasionnées par le désastre même?—R. Pas que je sache; nous n'avons pas d'hommes là.

Q. Vous n'avez pas d'affaires là?—R. Non, monsieur; parce que la *Phoenix Bridge* est responsable.

Q. Avez-vous eu quelques propositions de la compagnie *Phoenix Bridge Company* en rapport avec la reconstruction du pont? L'accident a eu lieu le 29 d'août?—R. Je ne sais pas si cela peut faire le sujet de l'enquête; ceci a rapport à des choses arrivées sul séquemment à votre motion d'enquête. Je refuse de répondre à moins que le comité le désire.

Q. Le gouvernement est en possession de toutes ces négociations?—R. Oui, monsieur; nous les avons soumises au gouvernement; alors, si le gouvernement veut vous les donner, c'est son affaire.

Q. Du 27 au 29 août dans l'après-midi, date de l'accident, avez-vous eu vent de ce qui se passait au pont, des signes qu'il y avait d'un écroulement?—R. Non, monsieur.

Q. Vous n'avez rien su de cela du tout?—R. J'étais à Ottawa, dans ce temps-là; je crois qu'il y a bien peu de gens qui pouvaient prévoir que le pont s'écroulerait le 29 d'août.

Q. Savez-vous que pendant trois ou quatre jours, on a été en communication avec monsieur Cooper et la compagnie, au sujet de craquements, de choses insolites qui s'étaient manifestés?—R. M. McClure avait été envoyé à New-York consulter M. Cooper; dans ce temps-là je ne connaissais rien.

Q. Vous n'avez pas été informé de la chose?—R. Non, monsieur; la première nouvelle que nous avons eue ça été l'écroulement du pont. M. Robitaille a dit qu'il avait été informé que mon frère était inspecteur pour la compagnie du pont de Québec. Je dois déclarer ici que jamais aucun de mes frères n'a été directement ou indirectement concerné avec la compagnie du pont de Québec; il n'a jamais retiré

un seul centin ni directement ni indirectement de la compagnie du pont de Québec. Ceux qui ont dit cela ont dû être mal informés. Si on a dit cela pour le plaisir de faire des insinuations, j'aime à mettre ces gens-là en position de savoir que tout cela n'a jamais existé pour aucun de mes frères; et quand M. Robitaille a dit cela, il a certainement dit une chose qui n'était pas vraie. M. Robitaille a parlé de transactions immobilières que j'avais faites; c'est absolument faux; et quand il a parlé d'options de la compagnie du pont avec la Quebec Terminal Co., encore absolument faux. Quand M. Robitaille a dit que j'étais intéressé dans la Quebec Terminal Co., c'était faux; quand il a dit que j'étais premier ministre de la province de Québec quand cette dernière a voté un subside au pont de Québec, c'était encore faux. On se permet de dire n'importe quoi sur le parquet de la Chambre, pour calomnier, mais quand on est sous serment, on n'en dit pas autant. Je veux que le public sache ce que je dis actuellement. Quant aux accusations portées contre la compagnie du pont pendant ma présidence, qu'on vienne les répéter ici, devant ce comité, et je ne craindrai pas de rencontrer mes accusateurs.

By the Chairman:

Q. I notice it was not asked this morning: Mr. Robitaille, in a speech which was criticized this morning said that your brother, Mr. Parent, was interested in this bridge some way or another?

Mr. MONK.—I think that was explained.

Mr. ROBITAILLE.—I explained that.

Mr. PARENT.—I say that if any one has any accusation against me or against the Quebec Bridge Company let them come now or at any time and proffer their accusation; I am willing to meet them. There is no graft or anything whatever wrong with anything that this company has done, and I do not care who makes the statement to the contrary.

By Mr. Monk:

Q. That does not come within the scope of this reference. What we are called upon to find out is whether we have lost so much money, and if you can throw any light upon that we will be glad to hear you?—A. Incidental to that question it is sometimes asked where the money has gone to. The money has gone right into that work, every cent of it, and none of it has gone into any other place. We have nothing to hide and we have everything to gain by having it made clear.

By the Chairman:

Q. You showed me a report this morning; do you want that put in?—A. I think it is just as well that it should be on the record. It is the first annual report of the directors of the Quebec Railway Bridge Company.

(Exhibit 45 filed.)

Mr. LORENZO ROBITAILLE, recalled.—I have the figures here now, Mr. Chairman, to prove the deficit of \$779,551, which are taken from the report of Mr. Collingwood Schreiber, Chief Engineer Railways and Canals, dated October 16, 1903, as printed in Sessional Paper No. 148, 1903. They are as follows:—

Value of work done, engineering, &c.	\$1,416,394
--	-------------

This amount works out in detail as :

Substructure.	\$1,217,359
Superstructure.	156,640
Clearing land.	195
Engineering and land damages.	42,200

That makes a total amount of \$1,416,394 as the value of the work done, engineering, &c.

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Then the payments are:

Cash.	\$914,862
Then the proceeds of bonds.	283,279

By Mr. Chisholm (Antigonish):

Q. Why should we add that to the \$501,000; does not that \$914,000 include it?—

A. Yes, that is cash, and here is the bond value, which resulted, you will see by these figures, in making a total of the two of \$1,198,141.

Q. Of payments, that makes a balance due on the work of \$218,253?—A. And other indebtedness \$561,298.

Q. Where do you get that?—A. Bonds, \$472,000.

Q. But isn't that included in \$283,279?—A. No, that is the proceeds of the bonds. Anyway, this is the way I make the figures up:

Total bonds.	\$472,000—that is a liability.
Interest.	34,298
Engineering.	25,000
Superstructure due.	30,000

That makes a total of. \$561,298

Balance due on work \$218,253, and these items all added up make the indebtedness \$779,551, as shown here, which is marked as a floating debt, and which is shown also by the letter given by Mr. Parent, which appears in the Sessional Paper, where he makes a report to the government at that time as follows. Speaking of the construction of the bridge he says:

'This has entailed an expenditure of all the proceeds of the paid-up stock of the company as well as the portion of the subsidies received, and left the company indebted in the sum of about \$779,500.'

I just simply wanted to affirm that the statement I made in my speech was based on the report given by Mr. Schreiber.

Witness discharged.

Committee adjourned.

TRANSLATION OF MR. PARENT'S EVIDENCE.

Hon. S. N. PARENT was called, sworn and examined.

By Mr. Monk :

Q. Did you really act as managing director of the Quebec Bridge Company while you were the president thereof?—A. I acted as president.

Q. Was there any manager?—A. No, sir.

Q. As a matter of fact, did you not perform the duties of one?—A. No, sir; I cannot say that.

Q. There are witnesses who have said that you had done nine-tenths of the work?—A. I may have worked a good deal without being manager.

Q. You did not have that title, but in reality you did nine-tenths of the administrative work?—A. I do not say that; I did considerable work, but cannot say that it was nine-tenths.

Q. Will you tell the committee what were the reasons you had for selecting Mr. Cooper as engineer?—A. Well, then, when we got tenders from the different companies, the first thing we had to do was to find a man competent to examine the plans.

Q. The different bridge companies ?—A. The companies that had tendered. After taking information, Mr. Theodore Cooper, an engineer, of the city of New York, was recommended as the most capable man in regard to bridges, as an authority. That is what led us to select him; and we discovered that what had been told us about him was in accord with truth; he was an authority in that line.

Q. Did that gentleman visit several times, the site of the bridge ?—A. He certainly went to visit it a few times.

Q. About how often had he been on the ground ?—A. To my knowledge he was there when we were building the foundations (*La substructure*) when Mr. Davis was erecting the piers; he came a couple of times.

Q. I think I can say that he went there a couple of times, is that correct ?—A. According to our arrangements Mr. Cooper was to go to the bridge about once a month, if he deemed it proper; he was to judge in that matter.

Q. As a matter of fact, I believe he went there two or three times, was it not during the carrying on of the works ?—A. He must have gone there three or four times, perhaps four or five times to the best of my knowledge, I believe that he went there three times.

Q. Did he at that time inquire as to the capital and resources of the Phoenix Bridge Company before entering into business with it ?—A. At that time, according to our information, the Phoenix Company's credit and the backing it had apparently from the Phoenix Iron Company, made it a very powerful company for bridge construction. It was very well recommended. We went to Philadelphia to inquire as to its financial condition, and the reports we got in regard to the Phoenix Bridge Company were very favourable.

Q. But, apart from this capital that you refer to, had the company to your knowledge any resources that could be realized upon, and what were they ?—A. When we dealt with the Phoenix Bridge Company, we took its credit as it was, with an additional guarantee of one hundred thousand dollars; in consequence we made a contract, being convinced that the company would fulfil its obligations.

Q. I understand of course that the company had a credit of one hundred thousand dollars, but did not that seem to you very small compared to the obligations that the company assumed towards you ?—A. There was sufficient in it; the drawback was ten per cent; in any case the contract speaks for itself.

Q. Did you not inquire at the time if it were not possible to obtain either a higher credit or else to have the work of construction guaranteed ?—A. Well, after having discussed that question at the time we were satisfied that, with such guarantee and the recommendations that we received regarding the Phoenix Bridge Company, as to the manner in which it had carried out its former contracts, we were making good arrangements with the company.

Q. Could you not, for example, have taken a guarantee from the Phoenix Iron Company, which seems to have commended this company for the undertaking ?—A. We obtained what, from our point of view, was a satisfactory and sufficient guarantee for the execution of the contract that we were making with the Phoenix Bridge Company. And, in fact, the Phoenix Bridge Company, to the time of the accident, had perfectly fulfilled its obligations in regard to the work, as agreed upon with the Quebec Bridge Company.

Q. Are you aware that the Phoenix Iron Company was the parent of the Phoenix Bridge Company ?—A. All that we knew was that the Phoenix Iron Company helped the Phoenix Bridge Company; I do not know in what manner, but it was either in supplying the iron or otherwise; in any case it assisted the Phoenix Bridge Company.

Q. Did you at that time study the relations existing between the two companies ?—A. No, sir; not any more than did the directors of the banks; at the time they told us that they were satisfied that we should deal with the company.

Q. Do you know anything of the financial standing of the Phoenix Iron Company ?—A. No, sir; I know nothing about it.

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Q. You know neither its capital nor its resources?—A. No, sir.

Q. And I believe the question of giving additional guarantees beyond the hundred thousand dollars was not discussed by the board?—A. We had not discussed it with the Phoenix Company; I tried to get as many securities as I could. When we discussed the contract, according to the information we had at that moment, we deemed it proper to accept those guarantees as sufficient; if we could have had more, we would have accepted it, but we could not get any more.

Q. When the 1,800 foot arch was substituted for the 1,600 foot one, what steps did your company take to assure itself as to the value and safety of the substitution?—A. Our chief engineer, Mr. Cooper, as I told you a moment ago, was considered the best engineer for bridging, an authority, who claimed that none other could criticize him—not having a sufficient knowledge to do so; then we took his report, and it was he that made the suggestions that we accepted.

Q. You did not deem it necessary to have the prudence of that change verified to control it?—A. We also had the opinion of Mr. Szlapka, who was the engineer of the Phoenix Bridge Company, and who drew the plans; the engineer then agreed in saying that the change might be made.

Q. Well, then, what was your information regarding Mr. Szlapka, was he a well known engineer?—A. In the United States, according to what I could hear—I knew him, he was an eminent man.

Q. Do you know where that engineer studied, and what constructions he had already carried on?—A. I know that he has been for a number of years employed by the Phoenix Bridge Company; he is considered to be a very able man in such matters; no, I did not follow him through his course of studies, I did not know where he studied.

Q. Do you know any bridges that he built, himself, of which he had made the plans?—A. The Phoenix Bridge Company could give better information than I could in that matter, for I did not follow him in his works.

Q. You did not follow him in his works?—A. No, sir.

Q. You seem to consider that it was he who made the plans of the bridge?—A. Yes, sir.

Q. Is it really the case?—A. Yes, sir, according to my information; but moreover, I do not think that it is denied; the report of the Royal Commission must give all those details.

Q. What was the lowest tender for the building of the bridge; I see that you had several tenders?—A. Do you refer to the foundations (*sous-structure*) or to the superstructure?

Q. Yes, sir; the superstructure. I see that the last day to receive tenders was the 1st March, 1899, and that they were called for in the month of September, 1898?—A. Yes, sir.

Q. What was the lowest tender?—A. The question of cost had not then been considered, for we did not know what plans might be accepted. When we called for tenders we asked the companies to submit their plans; as to the cost, there could be no question until we knew which plans would be accepted by the company, if it would be a cantilever or a suspension bridge; we wanted to know what kind of plans would be accepted.

Q. How many tenders with plans, did you receive?—A. I think that we received four.

Q. You received four?—A. Yes, sir; and according to Mr. Cooper's report the Phoenix Bridge Company's tender was the most advantageous.

Q. At that time was it a fixed price for the construction?—A. It was impossible to give out such an undertaking at a fixed price.

Q. I find in the report of the Royal Commission that there was a difference of \$23,507 at that moment in the tender, in favour of the Phoenix Bridge Company, and that it was fixed?—A. Yes, sir; but you could not have a contract based on that ten-

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der; as the plans were, having been revised by Mr. Cooper in his report the conditions were then changed.

Q. But Mr. Cooper recommended you the Phœnix Bridge Company's tender as being the best and the lowest?—A. Yes, sir. I think so.

Q. It was then at that moment the lowest—there can be no doubt as to that?—A. Quite possible, I do not remember the figures, for it was of slight importance.

Q. Are you aware that subsequently the work was not undertaken at fixed price but was undertaken according to the cost of iron?—A. We had a schedule of prices fixed as mentioned in the contract.

Q. You know that the prices of the Keystone Bridge Company were lower than those of the Phœnix Bridge Company?—A. I do not say that, I cannot, because the prices of the Keystone Company might appear lower, but we would not build on its plan for it was put aside; even though the figures were lower they would not have been acceptable to the company.

Q. Am I to understand that, on the terms indicated by that company, and according to the agreements reached after the purchase of the tender, you maintain the Phœnix Bridge Company was the lowest tenderer?—A. I considered that the Phœnix Bridge Company, under the circumstances, offered more advantages. According to the engineer's report it was the only acceptable tender.

Q. But you admit, in any case, that that tender did not reform the basis of the contract afterwards made?—A. There were a good many changes made in the figures by the engineer, which changed the position.

Q. A word now about the subscriptions of new stock: you will recall that in the agreement that you made with the government in the month of October, one thousand nine hundred and three, the company was to have secured two hundred thousand dollars of additional stock, which was to be paid up in cash and to be used to the extent of \$188,000 to efface the interest on the old debentures?—A. Yes, sir.

Q. You remember that?—A. Yes, sir.

Q. Were these conditions fulfilled by your company; that is to say, the company subscribed the two hundred thousand dollars of stock and the \$188,000 were not at first paid to secure the interest on the debentures, but they were later on.

Q. But, in fine, when you had certified to the government that that stock was paid in full, Mr. Davis' cheque for \$94,000 was still in suspense?—A. The cheque was not in suspense; we had the cheque in hand, which cheque was absolutely equivalent to money for us. The sole reason why we kept back that cheque for a certain time, was that we did not wish Contractor Davis to control the stock of the company; it was understood at the time that when he subscribed for one hundred and nineteen thousand some hundred dollars, we would have the right to take from that amount the subscription that the railway companies intended to take; and, in fact, a short while after the Grand Trunk took twenty-five thousand dollars of the hundred and nineteen thousand, leaving to Mr. Davis 949 shares of stock, amounting to exactly \$94,900. The Quebec Central was also to take twenty-five thousand dollars; this is the reason why we waited before placing that cheque in the bank. At the time the Quebec Central had no authorization to subscribe, its charter did not permit it, but later on it took twenty-five thousand dollars of stock from Mr. Sharples.

Q. Instead of taking it from Mr. Davis?—A. Yes, sir. When that question was settled we had no further interest in waiting and we deposited the cheque in the bank.

Q. Was the Federal Government aware of all these facts that you have just related to the committee?—A. I do not know what the government had to do with that special matter of stock, but the moment the stock was subscribed we made it known to the government, that is all it required to know; and, in fact, so it was.

Q. When you gave the government the certificate to the effect that the two hundred thousand dollars had been completely paid, did you make it aware that you had an unaccepted cheque of Mr. Davis, for \$94,900, as forming part of the issue?—A. That did not concern the government; its conditions were that we should subscribe two

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hundred thousand dollars the moment we had paid up, from the company's standpoint, we had met the views of the government.

Q. Then, if you had the whole stock of two hundred thousand dollars subscribed in the same way you would have considered that—?—A. From the moment I had in hand a cheque that I could deposit in the bank, that could be cashed, I would consider absolutely that I was paid the amount of the stock.

Q. Do you say that that cheque had been seen from the day it was dated until the day you banked it?—A. If we had deposited the cheque I am firmly convinced that we would have been paid on presenting it.

Q. Why did you not deposit it?—A. For the reason that I have just given you, that is, because the railway companies were to take stock from Davis. We were not to deposit it before we knew whether or not the companies would take that stock; if the Quebec Central had taken twenty-five thousand dollars of stock, Mr. Davis' cheque would have then been for twenty-five thousand dollars less.

Q. You gave him a certificate stating that he was the bearer of the shares represented by his stock?—A. We considered it as having been paid, the fact of having delivered a certificate indicates that we considered (ourselves) as having been paid. Mr. Davis owed the company sixty-five thousand dollars, and, we had held back the certificates for the amount that he owed the company.

Q. If I remember rightly it is indicated on the stub that the shares are held as securities?—A. We had our certificate, we had not delivered that certificate.

Q. Was not one issued?—A. Yes, sir, but we kept it in our possession as guarantee of the amount that he owed us.

Q. Then, you issued that certificate to the effect that he was the holder of these shares and yet you kept his cheque, without presenting it at the bank, until one thousand nine hundred and seven?—A. Yes, sir; until the Quebec Central had subscribed its amount.

Q. In your opinion, this was none of the government's business?—A. No, sir, a pure question of administration on the part of the company; it only concerned our administration.

Q. Were any members of the government aware of this?—A. Not that I know.

Q. Did Mr. Fitzpatrick know of it?—A. I do not know.

Q. Did the prime minister know of it?—A. I cannot say; in any case if they knew it they did not learn it from me, and I cannot answer for others.

Q. You know that Mr. Davis only withdrew that cheque after the settlement you had made of those credits, comprising the debentures first issued by the company?—A. What debentures?

Q. Well, it was only after you had redeemed at par the first debentures to the amount of \$47,200 that this cheque was found good, that is to say that you deposited it in the bank?—A. That was done after the payment of the debentures, that was done by the Federal Government.

Q. Those debentures were paid by the Federal Government?—A. Yes, sir; in the amount fixed by statute, which was paid out of the debentures.

Q. What is the amount of the cheque that was drawn to pay those debentures? Was it included in a higher amount?—A. In an amount of eight hundred and ninety thousand and some dollars.

Q. Had the company control of that sum?—A. No; it was paid by the government to the Bank of Montreal, I think.

Q. By cheques?—A. I don't know; it was a matter belonging to the Finance Department.

Q. Is it the government that assumes payment of all these amounts?—A. The amount fixed in the statute had been paid by the government.

Q. When the difficulty arose about the employment of an expert, by Mr. Schreiber, why did not the bridge company insist that such expert be appointed and act so that the company might benefit by the advice of that expert, without having to pay the cost of an investigation?

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Q. The bridge company never objected to that; on the contrary it was favourable to the government's suggestion. I met Mr. Cooper myself, in regard to that matter, in New York; Mr. Cooper objected entirely to Mr. Nichol being associated with him in the construction of the bridge; he even went so far as to say that if we insisted he would resign his position. He even came to Canada to meet Mr. Schreiber and discuss the question; the government had to choose between the resignation of Mr. Cooper and the appointment of Mr. Nichol.

Q. Was not Mr. Cooper aware that the government had to approve of all the plans and specifications?—A. Mr. Cooper knew that perfectly well, that is why the government, later on, had to appoint Mr. Cooper its representative.

Q. Let us understand each other; Mr. Cooper was perfectly aware that the government had reserved to itself the right to approve of the plans and specifications?—A. Yes, sir, he must have known it.

Q. Why could Mr. Cooper object to the government employing the person it desired to employ in order to assure itself of the efficacy of the plans?—A. The reasons given by Mr. Cooper were these: If the government appoints an expert or a bridge engineer, that man might probably take upon himself to do certain things or to give instructions during the building that might clash with that which I might myself do; and as the affair is a large one I do not wish that anyone but myself should interfere in the control of the entire construction. His fear was that such a man might give instructions contrary to his own. Mr. Cooper considered at the time that Mr. Hoare was all he needed and that the latter would not take upon himself to do anything without consulting him.

Q. If the expert the government had decided to employ had found out the defects in the plans that have caused the disaster, would it not have been a good thing?—A. Here is what might have happened: Mr. Cooper pretended that there was no man who could go over his work and I think that was pretty much the opinion of eminent engineers at that time; and on the other hand, if the government had appointed Mr. Nichol, if Mr. Cooper had resigned and that the accident of the 29th August had taken place all the same, the government would have been blamed far more for having set Mr. Cooper aside, he who was considered the best of authorities—to take Mr. Nichol, who was not such; the situation would then have been worse.

Q. Do you not know that the government could not have decided on those plans without consulting an expert?—A. The fact is that there was an expert with Mr. Cooper who was an authority.

Q. Did you repeat all this to Mr. Cooper at the time—that it was something that could not be refused to the government?—A. Mr. Cooper knew it perfectly well, because we had discussed the question of choosing between the resignation of Mr. Cooper and that appointment; there was nothing else to do.

Q. Well then, let us pass over that and let me ask you this: When the government gave way to Mr. Cooper's desires, it had, however, since the Order in Council of the 15th August, 1905 (1903), ordained that the plans, all the plans, and all the changes thereto, should be submitted to it before being adopted. Here is what the Order in Council says: . . . provided the efficiency of the structure be fully maintained up to that defined in the original specifications attached to the company's contract (Ex. 12), the new loadings proposed by the Quebec Bridge Company's consulting engineer be accepted, &c., and that all plans be submitted to the chief engineer, and until his approval has been given, not to be adopted for work. This order modified the Order in Council of July 21, 1903,—From that moment, that is from the adoption of the idea of taking the services of an expert, of Mr. Nichol, did the government examine all the plans, specifications and changes that had been made by Mr. Cooper in the construction of the bridge?—A. The government, after the arrangement of 1903, approved of the plans and specifications and depended entirely upon Mr. Cooper for their execution.

Q. Without having examined the plans again I suppose?—A. Well, I do not know whether or not Mr. Schreiber examined them several times.

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Q. Since 1903, did the Department of Railways have any plans to examine?—A. The Department of Railways will answer that question, for my part I did not follow that.

Q. You do not know?—A. I cannot know what takes place in the Department of Railways.

Q. As president of the bridge company did you not know that since the Order in Council of the 15th August, 1903, the government had to decide on any plans?—A. After having accepted the plans and specifications, as to the plans of details I think they entirely referred to Mr. Cooper.

Q. Another point; since the disaster, did you examine, you and your co-directors, what was the financial standing of the Quebec Bridge Company; What is it today?—A. I think that Mr. Bell submitted to you the other day figures in that connection; we owe the Bank of Montreal.

Q. I do not think that Mr. Bell made any examination since the disaster?—A. Since what disaster?

Q. Can you tell us, yourself, if the Quebec Bridge Company is to-day able to proceed with the repairs of the bridge?—A. Under the circumstances, considering the accident that took place, we could not go on with the repairing, above all with the clause of the statute of 1903, by terms of which the government is to take over the bridge; it is impossible to do anything.

Q. Has your company any financial resources to-day?—A. No, the financial resources of the company are the amount that it put into the construction of the bridge.

Q. That then is all the assets it has? Is that so?—A. We have the piers and approaches.

Q. Have you had reports from the chief engineer since the disaster?—A. From Mr. Cooper?

Q. No, from Mr. Hoare.—A. A special report?

Q. Yes, did you have any written report from Mr. Hoare?—A. He made a report to the company estimating the damages of the accident at \$1,800,000; that is about all I can recall.

Q. Could the damages done there be repaired for one million eight hundred thousand dollars?—A. If we estimate the damages at that sum I presume so, because only a part of the work has fallen, a part that was not entirely completed; so that the northern part is entirely intact.

Q. But if the plan is defective would not the northern part have to be altered?—A. That is something the engineers would have to decide; they would have to decide if the part of metal at present manufactured could be used in the new construction.

Q. Has the Bridge Company any debts outside the guaranteed debentures, outside what has been mentioned as being due the Bank of Montreal and outside of what may be due to the Department of Customs?—A. The company may owe something.

Q. About how much?—A. The amount cannot be great; we have a pending claim from the Quebec Improvement Company for right-of-way.

Q. What is the amount?—A. It is for thirty-two acres of land we had then taken; arbitrators were appointed; the arbitrators granted, I think, a sum of \$26,000, our arbitrator dissenting; he valued between four and five thousand dollars, as far as I can remember, a little more than four thousand dollars. We went to appeal, we contested the decision of the arbitrators; we had the judgment of the Superior Court, which was against us, set aside by the Court of Appeals, which reversed that judgment; there was an appeal to the Privy Council, which maintained the judgment of the Court of Appeals. According to what I understand to-day the Quebec Improvement Company would accept in settlement of their claim the sum of \$14,000.

Q. What is this Quebec Improvement Company? Who are the parties interested in it?—A. I know that the president is Sir Alphonse Pelletier; the manager is a Mr. Stuart, as far as I can remember.

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Q. Do you know the directors?—A. I do not know the directors; I am told there are five or six directors, amongst whom is J. T. Ross, and I don't know if Hon. Senator Belcourt is not one; to say truly, I do not know the directors.

Q. Let us speak of the last debentures issued; was not all the issue made?—A. Yes, sir, \$6,678,200.

Q. How much of that issue has been, up to the present, used in the construction of the bridge; does anything of it remain?—A. All the amount is spent; it has been transferred to the Bank of Montreal for advances made; as the bank advanced us, I think, 80 to 85 per cent on the debentures, some debentures should remain, an amount, I presume, of seven to eight hundred thousand dollars, being taken at par by the government; which amount has not been spent.

At one o'clock, the committee took recess.

Mr. PARENT'S examination resumed.

By Mr. Monk:

Q. Mr. Parent, you last spoke of a sum of eight hundred thousand dollars, approximately, that had been paid by the government, through the Bank of Montreal, immediately after the arrangement of October, 1903; should not that amount, to be paid by the government, have been authorized by your board of directors?—A. Quite so; that was the basis of the statute of 1903.

Q. It was the bridge company that had authorized that payment? It was done through the intervention of the government?—A. It had been paid by the government with the consent of the company, and from the debentures authorized by the government, guaranteed by the government.

Q. Why were the payments made after that by your company, and why were those payments made by the government?—A. Because the government had all the accounts in hand; the estimates of the engineers, the amount fixed by the statute; instead of paying to the company, which would have been the same thing, it paid directly to the bank.

Q. Are those the same that were audited by Mr. Bell, the Department of Railways Auditor?—A. Mr. Bell had audited everything included from 1903.

Q. Have you the details of those payments?—A. No, sir; I have nothing myself.

Q. They are contained in Mr. Bell's audit?—A. I think so.

Q. Have you said what remained of realizable debentures to-day?—A. I think the bank being paid, there ought to remain to-day between eight hundred and nine hundred thousand dollars in the Bank of Montreal.

Q. Did the Quebec Bridge Company receive any advances since the disaster?—A. From the government?

Q. Out of the debentures?—A. Yes, sir; there was a special account for the cost of administration.

Q. How much was that account?—A. It is in the statement that was furnished you by Mr. Ross or Mr. Bell; it is the account already produced.

Q. It is a considerable sum; could you say into what it is divided for the costs of administration?—A. The costs of administration consist in very little; that which Mr. Butler has approved of so far for rent or the employees of the company is paid; now, for some time back they have discontinued paying the salary of the secretary and of the engineer.

Q. Is the payment of those salaries suspended?—A. It is already suspended by the government, but not by the company; the government does not pay.

Q. Have you any understanding with the officers of the company, such as the secretary-treasurer, or the chief engineer, regarding the salaries?—A. According to the opinion of our advisers their time ends in the month of September next; we cannot put them out before their time is up.

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Q. So that, according to the opinion of your advisers, the salaries of those three employees still goes on?—A. With the company, but the government does not pay them.

Q. But according to you, it is a debt of the company?—A. Yes sir; especially considered as such.

Q. Are there suits taken against the Quebec Bridge Company on account of this disaster, law suits?—A. Not to my knowledge; I did not see any of such cases before the Board.

Q. Was the Phoenix Bridge Company sued in Quebec?—A. Yes, sir, I am told it is sued.

Q. By several interested parties?—A. Yes, sir, by several of those interested.

Q. Have you had occasion to find out what was the amount of the suit?—A. No, sir; I know that several actions were taken out, according to what the engineer told me, but I do not know the amounts; moreover, the amount does not always indicate the value of a claim, for often an action is taken out for \$10,000 (ten thousand dollars) that is subsequently settled for one thousand.

Q. Did the relatives of all the victims take out actions?—A. I do not think that all took them.

Q. Can you tell about the proportion?—A. I cannot say, for that does not concern me; the Phoenix Bridge company will settle its own affairs; the Quebec Bridge Company does not pretend to be responsible for the losses of life that took place there.

Q. But, in the case of a settlement with the government, do you not think that these matters should be taken into consideration?—A. Well, the Quebec Bridge Company not being responsible the government has nothing to do with it.

Q. Have you an opinion from your advisers that the Quebec Bridge Company is in no way responsible for the disaster in regard to the victims?—A. Yes, sir.

Q. You have that opinion?—A. Yes, sir. I think we have the opinion given jointly by Hon. Mr. Casgrain, by Hon. Mr. Taschereau, and by Mr. Edward Dorion, lawyers. The Quebec Bridge Company is not responsible for the losses of life or the damages caused by the wounds or otherwise; it is not the employees of the Quebec Bridge Company, but the employees of the Phoenix, and it is the latter that should be held legally responsible for that accident, although naturally the Phoenix Bridge Company claims not to be in fault. In any case the opinion of the advisers whom we consulted, and whom I have just named, is that the Quebec Bridge Company is not responsible for the accident.

Q. As to assets, has the Quebec Bridge Company at present directly or indirectly, any immovable property, apart from the approaches to the bridge?—A. Apart from the approaches to the bridge I know of none.

Q. There are no options on the lands?—A. Not that I know of.

Q. But you would not know it if there were any, you are the president?—A. Well, since I do not know of any there should not be any; all that has been said about options, either on the floor of the House or elsewhere, is entirely false.

Q. Did your company place itself in communication with the disaster; did it furnish the government information as to the affairs of the company?—A. The company had asked the government to help it to pay the costs of administration while awaiting the settlement of the question regarding the government, that is to say whether it shall or not take over the bridge.

Q. Had you submitted to the government or to any one on the part of the government a statement of the company's affairs?—A. The government auditor, Mr. Bell, was sent each month to make an audit of the books; he was absolutely acquainted with the affairs of the company. Mr. Butler was obliged to examine the accounts to have them paid, the government could not have been better acquainted with them than it was.

Q. Did the company approach the government regarding what it had to do on that occasion?—A. At the time we had an interview with the prime minister and with

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Mr. Fielding also, in the interests of the Bridge Company to ask for additional aid; that is the only communication we had with the government.

Q. Is there any correspondence on that subject?—A. No; that was done verbally.

Q. What did you ask from the government, assistance; that it should——?—A. We desired the government to advance the cost of administration until it would decide to take over the bridge from the company.

Q. What is the attitude of the Bridge Company to-day? Does the company propose to go on with that work itself?—A. No, sir; moreover, at the time of the arrangement of 1903, by the fact that the government gave itself the right to take over the bridge on condition of reimbursing the shareholders their stock plus ten per cent and five per cent interest, it placed us practically beyond any possible action.

Q. Make me understand what is the attitude of the company to-day; does it ask the government to continue to assist it, or does it ask the government to take over, to exercise its option?—A. The company is not to-day in a position to dictate to the government what it wants to have; I think it has a well defined idea that the government should take over the undertaking, even though the company were to ask something else, but the company does not ask it.

Q. Do you remember how many separate contracts you had with the Phœnix Bridge Company; all the construction was not comprised in the same contract?—A. All the contracts are produced.

Q. From memory could you say how many contracts you made? one was divided, I think into three, four or five?—A. The principal contract comprises nearly all; I think there was a small contract passed for the anchor piers, but as to the large undertakings there is only one contract. All the contracts were placed in the hands of the Royal Commissioners; they are produced here.

Q. I find a contract of the 12th April, 1900, with the Phœnix Bridge Company for the superstructure, a second contract with the Phœnix Bridge Company for approaches and spans, dated 19th December, 1900, and a third contract, of the 19th January, 1903, with the Phœnix Bridge Company as to the span of the principal arch; were there any other contracts apart from those three?—A. No, sir; not that I know of.

Q. As to Mr. Davis, does he not appear to have made a profit of forty per cent on the debentures?—A. Perhaps from your point of view, not from mine.

Q. Explain then your point of view; was there not a profit of forty per cent on the debentures?—A. Mr. Davis, as the contractor for the Quebec Bridge, was to be paid in cash; we paid him eighty per cent in cash; we paid him twenty per cent that remained of the debentures of 472,000 dollars; while the work was done on our account, he paid interest to the bank, while as to us the work went on without the payment of interest; the debentures did not bear interest, before the completion of the work at the end of December, 1902, so that Mr. Davis did not make forty per cent; you must deduct the interest that he paid the bank; during that while we owed that amount which we did not pay.

Q. Do you mean to say that he borrowed from the bank on his debentures?—A. Certainly from the bank which furnished him the funds; naturally he was obliged to pay interest on the money advanced by the bank; as to us, we paid nothing.

Q. Well, that interest on a couple of hundred thousand dollars for the time that this went on was not considerable; it is not reason for saying that he did not make forty per cent on the value of the debentures?—A. Even if it were thirty thousand dollars, those thirty thousand taken from the amount would not give forty per cent, we must consider the position of the company; that which may appear an advantage for Mr. Davis according to the arrangement of 1903 is not one; if the government had guaranteed the debentures, he would have taken a great risk.

Q. Did he take a risk?—A. A great risk, from my point of view, in advancing money to a company that had nothing else than the subsidies obtained from the government.

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Q. According to your calculations, then, the debentures were worth nothing?—A. I am not ready to say that the debentures were worth nothing, but they were certainly not worth sixty cents on the dollar; for a commercial corporation; we could not have sold them at the time, for sixty per cent, what we should consider is the market from the company's standpoint; at that time labor was cheap, the prices submitted to us were reasonable; all we had to do was to take the chances of obtaining good results; that is to say, in 1903 the \$472,000 on which you claim that sixty per cent was obtained really only represents the amount of the work, if instead of building in 1900 we had built in 1903, there would have been a difference, and as a matter of fact the Bridge Company benefited by the advantageous times.

Q. When you obtained the quasi certainty, or rather the certainty, since you had it, that the government would pay the debentures at par, was it not your duty as business men to settle with Mr. Davis as to what you owed him, what was really due him for the work done, instead of giving him an opportunity of making that speculation?—A. If we had had the money at our disposal to do what you suggest, probably we would have done it, but even in not doing so we considered we were making a good bargain for the company.

Q. Is that not the reason why the government exacted of you that the discount of forty per cent should be paid by others than by him before guaranteeing the debentures?—A. When we built those piers and when we found ourselves short of money, we deemed it proper to make a request to the government; the question came in the form of a guarantee of the debentures; now, I cannot say that such is the reason for which the government exacted the payment of \$200,000 in stock; it certainly was not a reason that had been discussed with me; but there was this: the government wanted that the Bridge Company should subscribe a sum of \$200,000, so as to interest to a greater degree the people of Quebec who desired to go into the undertaking and above all to have the support of the railway companies who also desired to enter into the affair.

Q. Why did the government exact that the sum of \$200,000 be employed before the issue of bonds, to extinguish the discount, according to the terms of the agreement?—A. I believe that the government thought well to do the thing but there were no reasons given at the time.

Q. Finally the thing was not done?—A. It was done later on.

Q. Don't you think it would have been better, since the debentures were worth nothing according to the directors, to have made a compromise with Mr. Davis and to have said to him: 'the securities that you have are worth nothing, give us an option to buy them back within a certain delay?'—A. If you read the contract you will see that we had a right to return our debentures to make a pool for those same debentures; but it was not done.

Q. Mr. Davis anyway made a profit of some one hundred and eighty odd thousand dollars?—A. If Mr. Davis had made a contract for a lower price than the work cost him, then, instead of making a profit, he would have had a loss.

Q. What are the interests of which you speak?—A. The interests for the money that he had obtained while he was doing the work for us and which we did not pay.

Q. Discounts in the bank?—A. Certainly; the bank did not advance money to Mr. Davis without interest.

Q. How do you know that he was obliged to have recourse to discounts?—A. Because I saw the bank account at the time and it was a well known fact to all who were dealing with Mr. McDougall.

Q. Do you know how much those interests amounted to?—A. They must have amounted to from twenty to thirty thousand dollars.

Q. For advances of money?—A. Interest for advance for the Quebec bridge.

Q. Why did he do that, since he had \$96,000, as you stated this morning?—A. I am speaking of 1902; the cheque came in 1904; it was after that, after the subscription of the new stock; it is not the same transaction.

Q. Explain to me, then, that affair of interests, when did the Bridge company commence to pay interest on the debentures?—A. When Mr. Davis had finished the piers, had finished the substructure of the bridge, about the month of December, 1902, we were not paying interest; we paid no interest on the debentures of Mr. Davis from 1900 to 1902.

Q. Are you aware, Mr. Parent, that, after 1903, plans and specifications had been submitted to the government for approval?—A. After the arrangement of 1903 there were plans that had been submitted to the government for approval and that had been approved.

Q. Approved by the government?—A. Yes, sir; to conform to the statute of 1903.

Q. If I rightly understand the report of the Royal Commission, the government after 1903 did not exercise its rights to approve the plans that it had possessed?—A. Well, the plans of details?

Q. Were they submitted to the government?—A. No, sir, the plans of details were submitted to the engineer who was Mr. Cooper, in New York; after the government had accepted Mr. Cooper as engineer, Mr. Cooper had the conclusive control of the undertaking as regards the plans, the plans of details furnished day by day; and for those who did not know the plans of the company I might say that we had about enough to nearly fill this room.

Q. I find by the documents that the government had decided to select another engineer?—A. No, sir; there must have been an order in council by which Mr. Cooper had been accepted by the government when Mr. Nichol had been set aside.

Q. Well, then, the order in council of the 21st July, 1903, specially authorizes Mr. Schreiber to select a special engineer to report upon the plans and that order was rescinded the 15th August, 1903, with the understanding that the company should continue to have control of the plans, but I find nowhere that the government had chosen Mr. Cooper to be the engineer?—A. He had been chosen as engineer by the government; I do not know the report of the commission but as a matter of fact there is no doubt that Mr. Cooper acted for the Quebec Bridge Company at that time.

Q. Then, Mr. Cooper was the Phoenix Company's engineer?—A. No, sir, he was the engineer of the Quebec Bridge Company, and the Phoenix Company's engineer was Mr. Zlespka.

Q. Who put you in communication with Mr. Cooper; was it not the Phoenix Bridge Company?—A. No, sir; we had correspondence at that time; we got information as to where the best engineer was; several names were given, and we decided on Mr. Cooper as being the most competent man; he was the best of the three that had been suggested to us.

Q. Then your pretension in a word is that Mr. Cooper was at the same time engineer of the Quebec Bridge Company and engineer of the government?—A. Engineer of the Bridge Company and engineer of the government after Mr. Nichol had been set aside for Mr. Cooper who was to resign if Mr. Nichol was appointed; Mr. Cooper did not wish that an engineer whom he knew to be inferior to himself should be associated with him when he himself took the risks.

Q. Did not the Board of Directors make some estimate of what it would require to finish the bridge?—A. Well, those estimates were about the same as the former ones.

Q. Could you tell the committee what would have to be done to complete the bridge, to make a new one, in fine to make the bridge?—A. We cannot say that at present, before a commission of engineers decides what is to be done; if we can use the present piers and a part of the steel that is manufactured, the undertaking would cost much less than if we were obliged to have new piers and a new superstructure; there are engineers who could answer on this. If you take the present piers and a part of the material, I still think that the bridge can be built for seven or eight million dollars, including the approaches; if you add the losses to this—the question as

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to the responsibility will be decided—I presume that it might go to between nine and ten million dollars.

Q. If the government takes over the undertaking, according to you, according to your interpretation, should it reimburse the Quebec government and the City of Quebec what these two have contributed?—A. I think the statute gives the government the power to place them in the same position as the Federal government itself, that is to say that they would be jointly interested in the undertaking.

Q. What statute is that?—A. Of 1903; I have not seen it since that time; only the government should refund to the municipality and the Province of Quebec the subsidies that they voted, if they so desire; I think that the clause of the statute places them on the same footing, if there are dividends to be drawn, or something like that.

Q. Does Mr. Cooper's salary still go on?—A. No, sir.

Q. He had a right to so much per year?—A. Yes, sir; when he worked for us; but since the bridge fell down he has had nothing to do.

Q. Are you sure that he is not retained as consulting engineer at three thousand some odd dollars?—A. I do not think that Mr. Cooper intends to put in a claim as engineer; he will be answerable like the contractor for the damages incurred which were principally occasioned by his fault. When Mr. Cooper did not come to the Quebec Bridge he often sent his associate, Mr. Berger, to replace him; the latter was also a very able engineer.

Q. I see there is a question in clause 21 of the agreement of October, 1903, of the settlement of the claims or of the contributions of the government and of the City of Quebec?—A. Yes, sir.

Q. Was this accepted by the government and the City of Quebec, were you mayor of the City of Quebec at the time?—A. It was I who insisted on having that clause.

Q. According to you the city as well as the government of Quebec are bound?—A. Yes, sir.

Q. Could not the city and the government of Quebec, if the Federal Government were to take possession of the bridge, claim the refund of their contributions?—A. You have the statute before you, you can find out the worth of those claims.

Q. I am asking you if that is not the true situation to-day?—A. All the rights that the government and the City of Quebec can exercise they will exercise; the statute speaks for itself, you can interpret it as you please.

Q. Then there is nothing you can tell us beyond clause 21?—A. No, sir; that is the basis of a contract; it is worth whatever it is worth.

Q. You have never found out what would be the inclinations of the Government and of the City of Quebec if the Federal Government were to exercise its power to take over the bridge?—A. No, sir, it is an obligation that was imposed on the Federal Government, it would be for it to look to it.

Q. I ask you, in your capacity as president of the Bridge Company, if you can say what would occur; would the city and the government of Quebec lay claims?—A. When the Federal Government takes over the undertaking it will see what it can do with these parties.

Q. It is an undecided affair?—A. I know nothing about it; I do not know the government's intentions.

Q. You have not found out since the disaster?—A. The government being the judge in the matter, it is for it to decide what to do.

Q. If the government were to ask you what would become of the sum of \$550,000, the contributions of the city and government of Quebec?—A. I would tell the government that it would have to find out.

Q. With your experience you have no doubt that the refund would be claimed?—A. It is more than I can say; it is a national undertaking that interests everybody; it is quite possible, in view of the accident, that those corporations would voluntarily desist; if I were prime minister of the province of Quebec, I would act in that way.

Q. If the Federal Government undertook to finish the works?—A. It must be remembered that when those corporations subscribed to the undertaking they did so without any expectation of reimbursement.

Q. Do you think that the shareholders, seeing that it is a national and patriotic undertaking, would give the refund of their shares?—A. As to me, personally, if it were a question of life or death for the bridge, I am ready to say that I would not hold to a cent of my money; I would have no hesitation, as far as I am concerned, in renouncing my shares, for when I went into the undertaking I did not do so for any purpose of speculation; I did it in a philanthropic spirit, for the good of the city of Quebec.

Q. I find that to remove the shareholders according to the agreement of 1903, it would require the giving of nearly \$337,500, there are \$250,000 in round figures, a bonus of 10 per cent that represents \$25,000, that is to say, \$387,000; this is a considerable sum?—A. Well, the capital stock with the ten per cent is \$291,500, which the government would have to pay to the shareholders apart from the simple interest to be added; in return for that the government takes possession of all that belongs to the company, that is to say of what has been put into the undertaking to the present, \$263,000 of stock that had been spent on the undertaking; moreover the subsidy of the City of Quebec amounts to \$290,000 net, the discount taken from the \$300,000, and the \$250,000 of the local government besides the \$374,000 that the Federal Government gave on its million; the government by the fact, would free itself of the \$625,000, the balance of its million.

Q. Since 1903 it has been exempt from paying the balance of its million?—A. Yes, sir, by the arrangements that it had made. I should say that if to-day the piers and the existing work could be utilized, if the piers that cost a million and a quarter to the company you could not build for two millions, then the government would have a benefit.

Q. It is a question of whether or not the works could be used; you heard Mr. Holgate's evidence?—A. As to the using of all the works, the engineers will decide later on; but assuredly in the case that those piers can be utilized you have therein the value of two million dollars, when they only cost a million and a quarter.

Q. If things take place as we have reason to believe they will, the government, apart from six millions and some hundred thousand dollars that it has spent will be obliged to spend about as much more before the undertaking is completed. Do you think that with ordinary precautions we can have a bridge that will not cost much less than from twelve to fifteen millions?—A. No, sir; even though you were to build the bridge anew there cannot be any question of twelve million dollars.

Q. When we were asked to vote a million dollar subsidy it was said that the bridge would cost four million dollars?—A. I think that according to Hansard the idea was to have a railway bridge; when the Quebec government voted its subsidy it laid down as a special condition that it should be a bridge for carriages and foot passengers; then the plans were subsequently amended.

Q. We have six million of dollars that have vanished; and if there remain about \$600,000 in round figures on the debentures——?—A. You have the approach to the bridge that cost a million dollars; you have the piers and the anchorage metal that are there, that have not disappeared; you have there, from what I can see, at least three millions of dollars of assets that have not disappeared.

Q. Do you think it is possible for us to complete all, to meet all the expenses that it will demand with six millions of dollars more?—A. I think it would cost much less than six millions.

Q. Much less?—A. Yes, sir.

Q. Well, about how much; five millions do you think?—A. Naturally I am not an engineer, but it is my inmost conviction that you can rebuild the Quebec bridge, the bridge properly, speaking, for less than five million dollars.

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Q. At the time of the agreement of October, 1903, you claimed that with the government debentures you could build the bridge; you had said that in your communications with the government; now, you know, that even had that bridge not fallen we could not have completed it with six millions of dollars?—A. The bridge and the approaches are two different things, I spoke of the approaches to the bridge, but not of the bridge itself.

Q. But in the letter that was read to us in parliament, you said to the Prime Minister in 1903, that with what the debentures guaranteed by the government would give the bridge would be completely finished; and you know that it could not have been finished; even apart from the accidents, it would have required a couple million more?—A. I am not prepared to say that that is what the company exactly said; I would need to have before me what was submitted; I do not know that that was said.

Q. At the end of a letter of the month of October, 1903, which is here, you say that the estimated cost of the completed work is about six million nine hundred thousand dollars?—A. That makes seven millions; it is not far from seven millions.

Q. On the contracts a good deal remains yet due, if the purchases were done in a nominal way?—A. Not much more than the labour, for the estimates for the work done at Phoenixville we paid for the work; we had a man on the ground; the government had also a man there. The steel is nearly all ready, and if we could utilize the piers and a part of the manufactured steel, we could build at a much lower cost. Now, the engineer according to the prices submitted, can tell me if that can be done or not; according to my information, it can be done. The bridge can be built, by changing the plane, on the present piers; so that it would be a considerable saving if the thing is possible.

Q. What are the monthly expenses for salaries and present rent, what is called current expenses?—A. A trifle, in round figures about twelve hundred dollars per month.

Q. Does that include the treasurer, the secretary, and the engineer?—A. Yes, sir, and a typewriter.

Q. How much do you pay a month to the officials?—A. We pay the secretary on the basis of \$2,400 a year, making \$200 per month; we pay the treasurer one hundred dollars per month; that makes three hundred dollars per month; the engineer five hundred dollars, making eight hundred dollars per month; you have after that one hundred dollars for different expenses per month; which makes nine hundred dollars; apart from the rent this is all the expenses of the company.

Q. How much is the rent?—A. The rent amounts to between six and seven hundred dollars per year; I think we do not pay dear rent; we leased at quite a low price from Judge Borse.

Q. Have you men hired to watch the bridge, or what remains of the bridge; are there no expenses caused by the disaster itself?—A. Not that I know of; we have no men there.

Q. You have no business there?—A. No sir; because the Phoenix Bridge Company is responsible.

Q. Did you have any proposals from the Phoenix Company in regard to the reconstruction of the bridge? The accident took place on the 29th, August?—A. I do not know if that belongs to the subject of this investigation; this relates to matters subsequent to your motion for an inquiry. I refuse to answer, unless the committee desires it.

Q. The government is in possession of all those negotiations?—A. Yes, sir; we submitted them to the government; so if the government wishes to give them to you, it is its business.

Q. From the 27th to the 29th August in the afternoon, on the day of the accident, did you get wind of what was taking place at the bridge—the signs of a falling?—A. No, sir.

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Q. You knew nothing about that at all?—A. I was in Ottawa at that time; I think there are very few people who could have foreseen that the bridge would fall on the 29th August.

Q. Do you know that during three or four days there were communications with Mr. Cooper and with the company, regarding cracking and shakiness that were apparent?—A. Mr. McClure has been sent down to New York to consult with Mr. Cooper; at that time I knew nothing about it.

Q. You had not been informed of the thing?—A. No, sir; the first news that we received was the falling of the bridge. Mr. Robitaille had said that he was informed that my brother was inspector for the Quebec Bridge Company. I may here state that none of my brothers were ever directly or indirectly concerned with the Quebec Bridge Company; he never received a single cent, either directly or indirectly, from the Quebec Bridge Company. They who said that must have been wrongly informed. If it was said for the pleasure of making insinuations, I desire to place those people in a position to know that no such thing ever existed for any of my brothers; and when Mr. Robitaille said that he certainly said what was not true. Mr. Robitaille spoke of real estate transactions that I had carried on; it is absolutely false; and when he spoke of options of the Bridge Company with the Quebec Terminal Company, it was still absolutely false. When Mr. Robitaille said that I was interested in the Quebec Terminal Company, it was false; when he said that I was Prime Minister of the province when the latter voted a subsidy to the Quebec Bridge, it was still false. On the floor of the House anything is said to calumniate, but when on oath there is not so much said. I want the public to know what I now state. As to the accusations brought against the Bridge Company during my presidency let them be repeated before this committee, and I have no fear to meet my accusers.

HOUSE OF COMMONS,

COMMITTEE ROOM No. 62,

TUESDAY, July 7, 1908.

The committee met at 11 o'clock, a.m., the chairman, Mr. A. K. Maclean, presiding.

HON. W. S. FIELDING, Minister of Finance, called, and examined.

By Mr. Monk:

Q. I will just ask you at once the questions that I have taken note of. Can you give the committee, Mr. Fielding, any idea of the present financial resources of the Quebec Bridge Company?—A. I could not, Mr. Monk, without reference to papers. It is not a matter with which I have been very closely associated myself. I would have to refer to my officials for that information.

Q. But speaking in a general way, Mr. Fielding, have you come to some conclusion in regard to their power to pay their liabilities?—A. I have not heard any question raised as to their ability to pay the present liabilities, but, of course, with the condition of the bridge, requiring a large amount of new money, I do not imagine that the present arrangements are at all sufficient to cover what will be needed. But I have not had my attention drawn to any question as to their ability to pay their present indebtedness.

Q. Your attention has not been drawn to that?—A. I have not heard any complaint made on that score to my knowledge.

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Q. Have you any doubt that, as things are at present, taking the present situation as it is to-day, the government will have to pay the entire amount of the guaranteed bond issue?—A. Oh, I can't say that—we took the power, as you are probably aware, Mr. Monk, to loan the company the amount of money set forth in their bond issue and we have exercised that power to a certain extent. I have always assumed that we would have to exercise it. That means that we would lend to the Bridge Company the amount of the guaranteed bonds. Instead of their advancing it we decided that we would finance and loan them the money. That is the way the matter now stands.

Q. But supposing their liquidation took place to-day and that the government gave no further assistance but matters would have to follow the ordinary course, you do not doubt that the government would have to pay these guaranteed bonds?—A. Unquestionably.

Q. Or if anything has been advanced upon them?—A. The government must respond to the guarantee, but as to what the position of the company may be in the event of liquidation, that is rather a matter of opinion in which I would not presume to say anything.

Q. Do you know of any resources that the company have that would pay these advances made to them?—A. Nothing except their modest amount of stock which was subscribed and which I presume has gone, by this time, into the general work. I know of no other resources than the government guarantee. I have always assumed that in one form or another the government must take the responsibility of providing for the work.

Q. So that at the present moment the government would stand in this position: it would have to pay all that has been advanced upon the guaranteed bond issue and also stand to lose the amount it has paid on the subsidy of a million dollars that was partly paid? Is not that the position?—A. We never treated the subsidy as lost. We had paid over a portion of that subsidy and then, the other scheme of a guarantee being adopted, the Subsidy Act was cancelled. We never treated it quite as a loss; it was a contribution to a work of a national character. I have never heard the expression used before, that the government would have to lose the subsidy.

Q. I mean by that if we had to ascertain how much the bridge cost, say at the present moment, we would take first the amount advanced from the subsidy, being the first advance, I suppose?—A. Yes.

Q. And then what has been advanced on the guaranteed bonds?—A. Yes.

Q. Can you state in a general way, Mr. Fielding, how we stand as regards payments made on that bond issue? We have guaranteed all the bonds, I think?—A. Yes.

Q. I think that is the position and they have been placed in the hands of the Trust Company?—A. That is correct, sir.

Q. And upon these bonds, placed by the Trust Company, in the hands of the Bank of Montreal, advances have been made to an amount of over \$5,000,000, I think?—A. That is probably correct. I am not sure as to the amount but that is the method whereby the financing was done.

Q. It would be possible to get from your department the exact figures, I suppose?—A. Yes.

Q. Were you acting Minister of Railways, Mr. Fielding, when the subsidy contract was entered into?—A. I could not remember, Mr. Monk. I have been acting Minister of Railways from time to time, but I could not fix the particular dates. I would have to be assisted by a reference to the documents of the Railway Department to enable me to answer that question. If the subsidy contract bears my name that would be sufficient evidence of it, but I have no particular recollection of it at this time. You mean in the original subsidy?

Q. Yes?—A. As distinguished from the guarantee?

Q. Yes?—A. Yes. I do not recollect. It is possible, I would not say no to it; I would have to look the matter up, the papers speak for themselves.

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Q. You remember that attached to that subsidy contract were the ordinary bridge specifications used by the Government in the case of the construction of subsidized bridges?—A. I have no recollection about it whatever, Mr. Monk. I should have to look through the departmental records for the evidence of that.

Q. Were you acting Minister of Railways, Mr. Fielding, when Mr. Schreiber, then Deputy Minister of Railways, asked authority from the government to secure expert opinion before the approval of the plans of the bridge?—A. I would not like to speak from recollection; I might have been. As I said before, I have been acting Minister of Railways on several occasions and was frequently brought into contact with Mr. Schreiber, but from my own recollection I would not be able to fix the dates.

Q. If the stenographer could give you a note of these matters, would it be too much trouble for you to refresh your memory?—A. I would have to go over to the Railway Department and select the information from the records, as I have no recollection of the matter. I should think the records themselves would tell you that. All I can do is to go and look it up. I have no memory in the matter at all.

Q. I think that you were from my perusal of the documents?—A. I would not say no, because I have acted in the Railway Department on a number of occasions, but I could not fix the dates.

The CHAIRMAN.—The documents would fix the dates.

Mr. MONK.—It is difficult to examine Mr. Fielding without—

Hon. Mr. FIELDING.—If you wish it I will come again for examination at any time.

By Mr. Monk:

Q. Do you recollect, Mr. Fielding, that Mr. Schreiber got authority from the Government to employ an expert in regard to the examination of the plans prepared for the bridge on the ground that he had not the necessary expert knowledge himself?—A. I have a general recollection that the whole matter, so far as the engineering is concerned, was left in Mr. Schreiber's hands. I think it is quite probable that what you describe occurred although my memory does not serve me. I think it is quite likely that it happened.

Q. It appears from the record that the Phoenix Bridge Company, through its consulting engineer, Mr. Cooper, and the Bridge Company itself, objected to the employment of an expert and it was subsequently abandoned. Can you give any reason why the government abandoned the idea of having a third party on its behalf look into those plans after it had given its approval?—A. No. My recollection is not very clear as to the details of the matter and I would, in all these things, have to look to the records to see what was done. Speaking generally, I recollect a conversation with Mr. Schreiber. I may, or may not, have been acting Minister of Railways at the time but I recollect discussing with Mr. Schreiber the question of the appointment of Mr. Theodore Cooper. I remember that Mr. Schreiber took the ground that Mr. Cooper being a man of very great eminence, there was no better man that could be obtained and that so long as they had the assurance of a man of his high standing and reputation, the government's interests were well protected. I think that is a general recollection of the conversation with Mr. Schreiber, but I do not know when, and under what circumstances, it took place. Any matter concerning the engineering of a bridge at any time when I was acting minister, I would leave entirely in the hands of Mr. Schreiber and under his advice.

Mr. GALLIHER.—That appears in the evidence that we have before us, Mr. Monk. Everything with reference to Mr. Cooper's attitude appears in the evidence which is before us.

Mr. MONK.—I was not trying to elicit the witness' opinion upon that point, but rather endeavouring to ascertain why the action was not insisted upon in spite of the representations made by Mr. Cooper.

Hon. Mr. FIELDING.—I would not be able to answer that, Mr. Monk. I was going to say, without a study of the papers, my recollection is that whatever was done in

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the matter of the engineering was done under the advice of Mr. Schreiber, in whom we had the utmost confidence.

Q. But you see it appears, Mr. Fielding, and I think you recollect that phase of the question, that Mr. Schreiber asked for the employment of an expert?—A. I do not recollect it, Mr. Monk, but yet it may have happened. This is a matter of years ago, and I have not studied the papers. I am speaking now from a general, and not from a clear, recollection of a thing that occurred years ago.

Q. Your answer, Mr. Fielding, that you were content to abide by the opinion of Mr. Schreiber upon a question of that importance seemed to be contradictory inasmuch as Mr. Schreiber had asked for the employment of an expert and subsequently it was decided not to employ one?—A. If that occurred when I was acting Minister of Railways I would have no hesitation in saying that I never acted against Mr. Schreiber's advice. Whatever steps were taken when I was acting minister must have been taken with Mr. Schreiber's advice and with his full concurrence.

Mr. GALLIHER.—Mr. Cooper refused to act if the government put another man on. That appears from his letter.

Mr. MONK.—Of course, he objected undoubtedly.

Hon. Mr. FIELDING.—What I inferred from your question was that it would seem that Mr. Schreiber had recommended that the government should do something and that they had decided to override his advice. Well, I have no recollection of anything of the kind occurring. If Mr. Schreiber advised a certain proceeding, and if at a later stage it was abandoned, I would say it must have been done with Mr. Schreiber's knowledge and consent. But, however, again I am speaking from recollection although I think the papers must surely show that. I am quite sure that I would not, as acting Minister of Railways, take the responsibility of overriding Mr. Schreiber's opinion in an engineering matter. I can answer that unhesitatingly.

Q. I am led to put these questions to you because of the following, which I find at page 20 of the Report of the Royal Commission on the collapse of the Quebec bridge (reads):

‘On June 2, 1903, Mr. Cooper transmitted certain amendments to the specifications attached to the subsidy contract of November 12, 1900, and gave his reasons for the proposed changes; as under section 2 of this agreement, any amendments of plans and specifications had to be approved by the Governor General in Council, these amendments were submitted to Mr. Schreiber for examination. Mr. Schreiber, the chief engineer of the Department of Railways and Canals, examined the amended specifications, and communicated with the Minister of Railways and Canals on July 9, 1903. The minister reported to council on July 16, 1903, and on July 21 an order in council was passed, embodying Mr. Schreiber's recommendations (Ex. 17). In his report Mr. Schreiber refers to discussions between himself and Mr. Cooper, the consulting engineer of the Quebec Bridge Company, involving certain modifications of the specification attached to the subsidy contract; he expresses his high regard for Mr. Cooper's professional standing, that gentleman being a man of repute and reliability. He adds: “His modifications may, therefore, reasonably be considered to be in the best interests of the work.” Mr. Schreiber suggests that “the department be authorized to employ a competent bridge engineer to examine from time to time the detailed drawings of each part of the bridge as prepared, and to approve of or correct them as to him may seem necessary, submitting them for final acceptance to the chief engineer of the department of Railways and Canals.”

‘When a copy of the above order in council reached Mr. Cooper, he strenuously objected to the appointment of an engineer as suggested by Mr. Schreiber, saying: “This puts me in the position of a subordinate, which I cannot accept.” Mr. Cooper, at the same time wrote to Mr. Schreiber: “I do not see how such an engineer could facilitate the progress of the work or allow me to take any responsible steps independently of his consent.” Mr. Cooper then went to Ottawa to see Mr. Schreiber, and discussed the situation with him. In consequence Mr. Schreiber made a further recom-

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mendation, and an order in council was passed August 15, 1903 (Ex. 18) which directed that, provided the efficiency of the structure be fully maintained up to that defined in the original specifications attached to the company's contract (Ex. 12), the new loadings proposed by the Quebec Bridge Company's consulting engineer be accepted, &c.; and that all plans be submitted to the chief engineer, and until his approval has been given, not to be adopted for work. This order modified the order in council of July 21, 1903.'

What I wish to know from you, Mr. Fielding, is, what were the reasons which led you to depart from the original precaution you decided to take, or the government decided to take, to employ an expert engineer to look over the plans?—A. I would have to form my impression from what you have read. I would say it is quite evident from that, that Mr. Schreiber modified his own recommendation and advised the government accordingly, and that whatever was done at that later stage was done on the advice of Mr. Schreiber as being, under all circumstances, the best that could be done. But again I am speaking from what is suggested to me by what you have read because I cannot recall the distinct circumstances of the case, occurring as they did some years ago. May I ask you do the papers show on that particular date I was acting minister?

Q. Not these papers I have in hand?—A. I was acting minister for a period during that season, but whether I was at that particular date, I am not quite clear. However, that would make no difference because I have no doubt the government acted upon Mr. Schreiber's advice, and if I was acting minister then I was the instrument for carrying out Mr. Schreiber's views.

Q. Do you know, Mr. Fielding, if any effect was given to clause 12 in the last contract, that is the one of the 19th October, 1903, which provided for an approval of the plans before the guarantees were given. That is in accordance with clause 3 of the agreement which says that all plans and specifications are to be submitted to the government for approval?—A. My impression—

Q. That was in 1903 after all these events I have just referred to?—A. My impression is that the plans at that time had been approved and that any plans coming in after that would be mere details of the agreement. I think the plans had been approved before that.

Q. You cannot recollect anything especially?—A. Not anything. The work had made considerable progress at that stage and I think the plans must have been approved before that. That is a matter of opinion rather than of knowledge or fact. I think the plans must have been approved, to some extent certainly, before that contract of 1903 was entered into.

Q. As a matter of fact when were the plans finally approved by the government?—A. I could not answer, sir, without reference to the department's files. They will show that; I could not speak of it from memory.

Q. You see the way I view it, Mr. Fielding, is this: up to that date we had undertaken to give a subsidy which was only in part given, but by that agreement we entered into a guarantee arrangement and under clause 12 it was provided that there must be approval of the plans before the guarantee was given. That is what leads me to ask you if any general review of the plans was held after that agreement in order that the government should be perfectly satisfied these plans were safe ones?—A. I could not speak from memory. The records of the Railway Department would have to show that.

Q. Had you personally, Mr. Fielding, any knowledge that Mr. Douglas, the bridge expert of the Department of Railways, had condemned the unit stresses?—A. I think I hear it now for the first time, but it may possibly have occurred as between Mr. Douglas and Mr. Schreiber. I have no recollection of ever hearing it before. I should think the records of the department would show the facts in all these things.

Q. There is no doubt that Mr. Douglas made a report condemning the unit stresses. That is on file amongst the other documents produced?—A. It may have

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been called to my attention. On what date would it be? While I was acting Minister of Railways? I should think if it was done while I was acting minister I probably would have heard of it. If done at another time I might never have heard of it.

Q. On July 3, 1903, Mr. Douglas made his report in writing?—A. While I was acting minister—

Q. In which he found fault with the unit stresses?—A. I was acting Minister of Railways during the summer of 1903, but whether I was, on that date in July, I am not sure. My impression is that it would be a little later, because after the resignation of Mr. Blair in 1903, I took up the work temporarily as acting minister and the date of Mr. Blair's resignation, I presume, is a matter of record.

Q. There are so many facts that it is not surprising that one should not remember them all. This is what I find at page 41 of the Commission's report. Speaking of Mr. Douglas' report, which I have just referred to, they say (reads):

'In it he advised the adoption of many of Mr. Cooper's suggestions, but criticized the high unit stresses that were proposed, and the suggestion made in the memorandum as to using the bridge for heavier rolling loads than those specified in the amendments. He also advised that the Quebec Bridge Company be required to submit new specifications, and not merely amendments to the approved Hoare specifications.

'Mr. Douglas' opposition was evidently anticipated, as will be seen by the letter from Mr. Hoare quoted in the evidence. On receipt of the report of July 9, 1903, Mr. Schreiber had to decide whether he would depend upon Mr. Cooper or upon Mr. Douglas for technical advice, and evidently decided in favour of the former, for, as stated in the evidence, Mr. Douglas from that time had no authoritative connection with the undertaking.'

Would you say that you remember this?—A. No, I do not remember that incident at all—

Q. That particular report?—A. But if I was at that moment acting Minister of Railways I should think Mr. Schreiber would have brought it to my notice. My impression is at that moment I was not acting Minister of Railways, but the dates would have to speak for themselves. If Mr. Douglas made such a report to Mr. Schreiber and Mr. Schreiber brought it to me I would take the advice of Mr. Schreiber as the chief engineer; I would not presume to have an opinion of my own against him on an engineering question.

Q. Well irrespective of whether, at that time, you were acting Minister of Railways, Mr. Fielding, I wish to know from you if you remember that incident at all, because at the present moment it is a very important one? Mr. Douglas had condemned the stresses or made an unfavourable report?—A. I don't remember it at all.

Q. Now, sir, I would like to ask you what means were taken by the Department of Finance to ascertain that the financial undertakings entered into by the Bridge Company in its agreement of October, 1903, had been carried out? By that I mean its undertaking contained in one of the clauses to issue \$200,000 of stock which would have to be taken up in full and paid in cash and the proceeds employed in settling the discount on the original bonds of the Bridge Company before this guarantee was given? That was a condition that had been imposed by the government?—A. I remember that the conditions required that they should subscribe and pay up this stock. My recollection is that they furnished a certificate of the company, that that had been done and that we accepted it.

Q. You did not go beyond the certificate that had been furnished by the president and the secretary of the Bridge Company to the effect that that condition had been fulfilled?—A. I think not.

Q. Did you hear at any time of the incident which has come out in this inquiry of the sum of \$94,900 out of that \$200,000 of stock, which was represented by a cheque of Mr. Davis for that amount, which remained in the company's hands unexpended and uncashed until 1907?—A. I heard of that in 1907, not before.

Q. You heard of it in 1907?—A. Yes, I heard of it. I can fix the time. I think I heard of it soon after my return from Europe in the fall of last year.

Q. Did the department take any steps in consequence of that discovery at the time?—A. No. At the time I heard of it I understood that the cheque had been converted into cash and this removed any question there might have been at an earlier stage. The conditions of the Act in that respect had been complied with then whatever might be said as to the earlier proceedings.

Q. Had there been any inquiry by the government before the guaranteeing of the bonds, any special inquiry, as to whether that condition, stipulated for in the agreement of 1903, had been absolutely complied with?—A. Nothing but the demanding, the requiring of the certificate from the officers of the company that it had been done.

Q. Mr. Fielding, is the government responsible to the Bank of Montreal, or to anybody else, for any amount beyond the sums that are connected with the issuing of the guaranteed bonds? It has appeared that an advance has been made by the Bank of Montreal to the Bridge Company for a very considerable sum. That is what leads me to ask that question?—A. I think not although I do not know that I fully understand what you have in your mind, Mr. Monk.

Q. Well, apart from the amounts that have been advanced by the Bank of Montreal to the Bridge Company upon the bonds, there is an amount of one hundred and some thousand dollars which the Bridge Company owes the Bank of Montreal. Is the government in any way responsible for that?—A. I do not know the particular sum, or what formed the particular sum. I recollect an incident though that may have had some bearing on that. The Bank of Montreal would only advance to a certain margin on the bonds and it was intimated to me that the company were short of money. On my return from Europe last year—they needed money to pay ordinary every-day expenses—and I think I said to Mr. Clouston—I am not quite sure at the moment whether I wrote to him or spoke to him verbally—that, of course, the running expenses of the concern would have to be met and I hoped he would assist the company in whatever was necessary; but whatever was paid would have to come out of the guarantee; we had no authority whatever to incur any obligations beyond that. The effect of my request to Mr. Clouston was that the bank should not keep the company down to such a small margin, but that they should advance more liberally within the guarantee.

Q. What I would like to know is whether there is any responsibility on the part of the government to the bank for that advance?—A. If it is within the amount of the guarantee, I would say yes. If it is beyond the amount of the guarantee, I would say no. But I have always assumed that every dollar that anybody advanced under recent conditions for the Quebec bridge, if it goes into the enterprise, the government have got to see paid in one form or another.

MR. MONK.—Probably as a matter of equity, but not as the exact amount for which we are liable.

THE CHAIRMAN.—There is an exhibit filed by Mr. Ross that may help you, Mr. Monk. I think that is what you are getting at.

HON. MR. FIELDING.—I do not think we would have any legal liability for anything outside the amount of the bonds.

By Mr. Monk:

Q. Would the Bank of Montreal have advanced such a large amount if it were?—A. It is not in excess of the amount of the bonds.

Q. No, but it is outside of the bonds?—A. Well, the bank was advancing a certain percentage, 80 or 85, if I remember, and the consequence was the company were not able to get the full value of their bonds, and I said to Mr. Clouston, I hoped he would be a little more liberal and help them along. What I meant by that was that they should advance them more liberally and not be exact as to the percentage. I had no authority to incur any obligation outside of the bonds, and I certainly never intended to. I should say that any money that was advanced by the Bank of Montreal

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in good faith and went into the work of the bridge legitimately in one form or other—the government should see them paid.

By Mr. Barker :

Q. You did not intend that they should advance beyond par?—A. No.

Q. That is clear in your mind?—A. It was clear in my mind. Very little was said about the matter further than that this necessary expense to keep the company moving was to be met, and I hoped the bank would assist them.

Q. Within par?—A. I have never had any other intention than that it was to be within par.

Mr. PARENT.—They are still within par, too.

By Mr. Monk :

Q. Have you, Mr. Fielding, since the catastrophe, obtained any general statement of the affairs of the Quebec Bridge Company, carefully prepared and audited under the supervision of your department?—A. There has been considerable information furnished, chiefly, I think, by the Railway Department. The Auditor of the Railway Department has been in communication with my officials and we have a general knowledge of the affairs in that way. There has been no special audit of it in my department. The audit has been made by an officer of the Department of Railways.

Q. Have you not some statement that would show exactly how the Quebec Bridge Company is situated to-day?—A. I think probably there is such a statement amongst the papers, if not in my department in the Railways Department.

Q. If it is in your department would you have any objection to producing it?—A. If there are any documents in the Finance Department in relation to the matter, I shall be happy to bring them down.

Q. Has there been any general statement sent into your department by the Quebec Bridge Company since the catastrophe?—A. I should have difficulty in answering that. My officials could answer that better.

Q. If there is any such statement?—A. I will give instructions to have it brought down. Will you note that, Mr. Ross?

Mr. ROSS.—There is none.

By Mr. Barker :

Q. The assistant accountant of the Railway Department has produced a statement of certain accounts between the Quebec Bridge Company and the Phoenix Bridge Company, and also between the Quebec Bridge Company and Mr. Davis but I think he only carried his inquiry back to a certain date. There are items in that statement of a confused nature, some erroneous charges which I understand were afterwards supposed to be corrected. Have you gone into those charges?—A. No.

Q. Well, in order to ascertain the precise position of the Quebec Bridge Company would it not, in your opinion, be necessary to have a complete statement of the accounts between the constructing company and the Quebec Company from the beginning?—A. I would hardly be able to answer that. That is a matter which would come under the Railway Department because it relates to the making up of the estimates and certificates which are engineering matters, the estimates being based upon certificates issued by the Railway Department, and if it be necessary, perhaps, for the Railway Department to look into. It would not be so necessary for the Finance Department because we take the certificates issued by the Railway Department and pay upon them.

Q. The government have ultimately to meet, perhaps, the liability of the construction company, the Phoenix Bridge Company. Is it not essential for this committee, as well as the government, to know the exact state of the account between the Phoenix Bridge Company and the Quebec Bridge Company from the beginning?—A. I think it is desirable.

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Q. I ask that because I requested Mr. Bell to give me a complete statement and that gentleman said he had not gone far enough back in the accounts to furnish us with that sort of statement with regard to the substructure as well as the superstructure. I think we ought to have such a statement?—A. I do not see any objection to having it if anything has arisen during the course of the investigation to suggest that there is a need for further inquiry.

Mr. BARKER.—I am referring now, at the moment to some items which were charged in one account erroneously and there is no information showing how that error was corrected.

The CHAIRMAN.—What is that?

Mr. BARKER.—Take the Davis item of \$35,000 which was said to have been charged by Mr. Davis to the Quebec Bridge Company and it turned out afterwards the company had paid that money themselves. I would like to see all such transactions clearly set forth amongst the papers.

Hon. Mr. FIELDING.—I would almost think the officers of the Quebec Bridge Company would be able to give the committee that information.

Mr. BARKER.—Mr. Bell was sent to Quebec, as I understand, to look into these things and I would like to see a complete statement of the accounts between these two companies from the very beginning having regard to the fact that the country probably has to pay whether the money was owing between one or the other or whether it was owing simply by the Quebec Company.

The CHAIRMAN.—I think Mr. Bell explained that.

Mr. CHISHOLM (Antigonish).—I think Mr. Bell explained that he did not go back of the Act of 1903 because the Act settled the whole thing.

The CHAIRMAN.—Yes, it was a new transaction, I think.

Mr. CHISHOLM (Antigonish).—You did not think it was necessary to go back of that.

Mr. BARKER.—The question arises in this way: the country probably will have to pay whatever is due by the Quebec Bridge Company—that is possible, at all events, as sureties. Now, if that is so the Quebec Bridge Company will be entitled to go into the account from the beginning. There is no precluding, and there cannot be any precluding, that at all. I want to see the whole thing set out exactly on paper. I do not want merely a partial statement, I want to see it all set out on paper. I want the same information with regard to the substructure.

Hon. Mr. FIELDING.—I do not know how far that may be necessary. We certainly have no objection to a statement of whatever information is useful.

Mr. GALLIHER.—You want, Mr. Barker, the account made out in detail?

Mr. BARKER.—Yes. For instance, if I were a surety and called upon to pay any money I would ask for a statement between the Quebec company and the construction company from the beginning.

Mr. CHISHOLM (Antigonish).—You have it already in black and white.

Mr. BARKER.—One sees in the statement produced what are said to be results, but we know there were erroneous assertions made. For instance, there was the sum of \$250,000 said to have been put up by Quebec as a subsidy. That is not true.

Hon. Mr. FIELDING.—I understand that was not a proper description. They had agreed to pay \$250,000 in instalments and they had paid all the instalments that were due. It was hardly a correct description of the transaction although in a sense it was right.

The CHAIRMAN.—Are you not going beyond the inquiry? You are speaking of what the government may do.

Mr. BARKER.—I was asking the Minister of Finance whether it would not be necessary to go into this account from the beginning if the country is liable for payment?

Hon. Mr. FIELDING.—If anything has arisen in the investigation to show that the Bridge Company has obtained recognition of accounts which were not proper, that

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would be a desirable thing to investigate, but why could not the Quebec Bridge Company give that information? They have all the books and facts. I should think the company would be able to give evidence of that.

Mr. BARKER.—We have a right to ask anybody who knows the facts. I only suggest that an officer of the government who is here should lay a statement before the committee of the accounts from the beginning.

Hon. Mr. FIELDING.—Would not evidence from the bridge company be the best and most acceptable way of doing it?

Mr. BARKER.—I do not know that it would. There is another thing: I would not care to accept their statement, I would like to see our own side of the question.

Hon. Mr. FIELDING.—If we wanted a statement, would we not have to get it from the bridge company's officials?

Mr. BARKER.—The Quebec Bridge Company should have a statement from the beginning naturally. But we have a right to get it from another source if we can.

Hon. Mr. FIELDING.—I should judge that the bridge company should be asked to produce it, they are the most capable.

Mr. BARKER.—An officer of the government should look into the accounts and give us a statement from the beginning.

Hon. Mr. FIELDING.—If there was any reason to believe there was anything that occurred before the Act of 1903 which was not fair and straight and square, I do not mean to say that that should shut out inquiry; but unless there was anything to imply transactions of that sort I do not see the need of going back to the inception of the thing from the beginning.

Mr. BARKER.—Well, we have had placed before us a statement prepared by Mr. Bell containing certain data and in that statement there are certain items disclosed by his investigation. When we come to a certain item of \$35,000—I only take that as an instance—we are told that is an error. Now I do not see that we have got any accounts showing how that error was rectified although it is said to have been rectified.

Hon. Mr. FIELDING.—Has Mr. Bell not explained that?

Mr. BARKER.—He has said it was afterwards rectified but I want to see on paper how that was done. If this committee is expected to look into the actual situation we want a complete statement. We do not want, for example, any errors or supposed cases like the erroneous recital of facts in the statement referred to.

Hon. Mr. FIELDING.—Well, that is not a substantial error. It is an erroneous description, and should not have occurred.

Mr. BARKER.—There is in Mr. Davis' accounts a reference to an estimate, No. 13 I think it is, for superstructure. I have no doubt there is an explanation of it, but on the face of the accounts I do not see why Mr. Davis, who was building the substructure, should have anything to do with the superstructure, and yet it is there. I think these things ought to be so put that hereafter nobody will say, 'There are lots of things that these gentlemen did not look into.'

Hon. Mr. FIELDING.—I should think the officials of the bridge company could answer that in a moment.

Mr. BARKER.—I would rather have a gentleman like Mr. Bell, who is a competent man and has been doing the work from a certain date, to give us a statement from the very beginning.

The CHAIRMAN.—Well, Mr. Bell can do that for us.

Mr. BARKER.—I was going to suggest that he be directed to do that.

Mr. GALLIHER.—I do not think Mr. Barker wants Mr. Bell to go back to all the accounts, but to deal with a certain specific item.

Mr. BARKER.—No, I want him to go back to the accounts from the very beginning. We do not know where that may lead us as between ourselves and the bridge company.

The CHAIRMAN.—But Mr. Bell has already found in his report that the \$35,000 was merely a matter of accommodation between the Quebec Bridge Company and Mr. Davis.

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Mr. BARKER.—We are entitled to have that set out on paper and see what the transaction was.

The CHAIRMAN.—We will get Mr. Bell and if he understands what you want he can prepare the desired statement.

By Mr. Monk:

Q. This amount, over and above and outside of the bonds, of some \$147,000, I think, which the Bank of Montreal advanced to the bridge company, was there any letter passed from you to the bank upon that question?—A. If there was any it is on the record. I am not quite sure but the whole file is down, and if there was any such letter—I think I did write something to Mr. Clouston on the subject, and if so it is on the file.

Q. Would you mind producing a copy of that letter?

Mr. ROSS.—Yes, it is here.

A. I think there is some letter on the subject. (After referring to file Exhibit No. 43) I have the explanation of that, Mr. Monk, now that I look at these letters. There was work done as to which the bank was making an advance, assuming that the certificates would be issued as usual. The matter was in that condition when the bridge fell and everything was stopped. We declined to go any further until we could see what was going to happen. Meantime the bank had advanced a very considerable sum of money, which, from the letter of Mr. Clouston I see here I judge to be \$155,000, which would have been covered by the engineers' certificates if the bridge had not fallen. It was the catastrophe of the falling of the bridge which stopped everything and left that amount uncovered. Any balance above that was the small expenses, the office expenses and so on, as to which I asked Mr. Clouston. I have to get my information from Mr. Ross, who reminds me that certificates were issued just at that time which would have more than covered this advance, but in consequence of the falling of the bridge all action was stopped.

By Mr. Barker:

Q. The advance was intercepted?—A. The work had been done and the certificates had been issued. If no accident had happened that advance of the Bank of Montreal would have been covered by engineers' certificates and would not have appeared as an advance on special account at all, but as part of the ordinary advance under the guarantee. It was the stoppage of everything after the falling of the bridge which left that account standing in that way. Then the company needed money for current expenses and I asked Mr. Clouston to try and help them along.

Q. I suppose the bank had anticipated the certificates?—A. The bank had anticipated these certificates as respects this \$155,000. They did not get the certificates and the bridge company wanted more money, and I requested Mr. Clouston to help them along just to keep the thing moving. That is the explanation of that apparently.

By Mr. Monk:

Q. Is the document to which you are referring already filed?—A. These are papers which are in the possession of the committee.

Q. The position to-day is this then, Mr. Fielding———A. May I read the following letter which Mr. Clouston wrote to me? (Reads):

BANK OF MONTREAL,
HEAD OFFICE,

MONTREAL, 11th October, 1907.

Hon. Mr. FIELDING,
Minister of Finance,
Ottawa, Ont.

DEAR SIR,—We are advised by our Quebec manager that there is due his branch by the Quebec Bridge and Railway Company. \$155,408.88, representing temporary

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advances against engineers' certificates, interest accrued, and overdraft. Please arrange for the usual authority for the amount of these advances; and our Quebec manager also asks that you will give authority to make advances of about \$1,500 per month, which our manager says will be required for office and sundry expenses, or furnish him with a monthly sum sufficient to cover such requirements.

Yours faithfully,

(Sgd.) E. S. CLOUSTON,
General Manager.

On the 21st October I wrote to Mr. Clouston as follows (reads):—

'DEAR MR. CLOUSTON,—Referring to your letter of the 11th instant in relation to the affairs of the Quebec Bridge Company, I understood from our conversation a short time ago that, pending the completion of arrangements for repaying to the bank the advances already made to the company, the bank would be willing to make such further advances as might be necessary to meet the company's urgent obligations and current expenses, upon your receiving from me an assurance that the bank would be protected by the government as respects such further advances.

I shall be glad if you will continue to advance to the Quebec Bridge Company such sums as may be necessary to meet its urgent obligations and current expenses, provided, of course, that such sums are certified by the chief engineer of the government railways as correct and proper.

We are making arrangements, under authority of the Act of last session, to make advances to the bridge company and to take over the bonds. The advances so made to the company will be applied to the repayment of the loan which you have made to the company on the credit of the bonds. Any further sums which you may advance under this letter will be included in such repayment.

Yours faithfully,

(Sgd.) W. S. FIELDING,
Minister of Finance.

E. S. CLOUSTON, Esq., General Manager,
Bank of Montreal, Montreal.

Q. So as regards the bonds, Mr. Fielding, the position to-day is this: the government has guaranteed \$6,678,200 of bonds that are not marketed but are in the hands of the Trust Company under the agreement arrived at?—A. Part of them have been returned to the treasury as against advances which we have made. We have given the company \$2,000,000 and a proportionate amount of the bonds have come back to our hands.

Q. The \$2,000,000 has been paid to the Bank of Montreal?—A. Well, we pay it to the company through the Bank of Montreal. Our authority is to loan it to the company, but, of course, they owed it to the Bank of Montreal and by arrangement we pay it to the Bank of Montreal in discharge of obligations to that amount.

Q. Are you able to say from memory how much remains due at present?—A. No.

Q. On advances made by the bank?—A. No.

Q. Have the former bonds of the company, called the interim bonds, that were discounted, given at a discount in payment to Mr. Davis, all been returned to the government?—A. I do not think the government ever had them in any form as far as my memory goes. I do not recall the government having possessed them.

The CHAIRMAN.—They were cancelled.

Hon. Mr. FIELDING.—These were not guaranteed bonds.

By Mr. Monk:

Q. No, they were not guaranteed bonds, but there was a stipulation in the agreement of October, 1903 that the discount on these bonds was to be paid by a new subscription of stock?—A. Yes.

Q. That is why I ask you if you had ever made inquiry as to whether those bonds had really been redeemed?—A. I think we must have been satisfied that they were, but I cannot recall the method.

Q. Now, sir, as regards the situation which is created for us by the catastrophe, in regard to which we have to particularly inquire, has the government taken any steps towards finding out what our responsibilities are in regard to the bridge and what are the responsibilities of the Phoenix Bridge Company? Have the government made any inquiries as to the situation of the Phoenix Bridge Company, what its obligations are and what its financial strength is to fulfil those obligations?—A. There may have been some such inquiry on the part of the Department of Railways and Canals. I could not answer that, the whole matter has been dealt with by them.

Q. Then, the Finance Department has taken no steps?—A. No. The inquiry that has been made, the commission of inquiry into the cause of the disaster and everything of that sort, of course the committee is familiar with. That was the only inquiry made to my knowledge.

Q. Do you know to-day, Mr. Fielding, anything about the Phoenix Bridge Company and its financial strength?—A. No. I have heard passing gossip about it, but I have no knowledge.

Q. And the government is not in possession of any special report on the responsibilities of the parties concerned?—A. I could not answer that. The matter has not come under my personal knowledge.

Q. The reason, Mr. Fielding, I asked that question is, that it seems to me it is not now so much a matter under the control of the Department of Railways as under the Department of Finance. You do not take that view of it yourself?—A. Oh, I join responsibility with my brother ministers for everything. I do not draw any distinction in that way.

Q. But your department has not instituted any special inquiry?—A. As to the responsibility of the Quebec Company and the Phoenix Bridge Company?

Q. And the Phoenix Bridge Company?—A. No, it has not.

Q. Nor any special inquiry as to the state of affairs of the Quebec Bridge Company?—A. Whatever information we have on that subject has been brought before the committee.

Mr. CHISHOLM (Antigonish).—That must be determined by the courts. How can the Finance Department determine the liability?

Mr. MONK.—I thought the Finance Department, after the catastrophe, would have made inquiry as to the situation of affairs.

Hon. Mr. FIELDING.—Well, it does not make much difference as to the responsibility of ministers; we all have equal responsibilities. I would have thought it a matter belonging more to the Department of Railways than to the Department of Finance, but that makes no difference as to the measure of responsibility to the public.

The CHAIRMAN.—I think that goes a little beyond our inquiry anyway. If you open that question there will be no end to it.

Mr. MONK.—I do not think so. I think it comes directly under the reference.

Hon. Mr. FIELDING.—I do not think you need debate the matter; I cannot give you any information about it.

The CHAIRMAN.—(Reading from the order of reference) ‘and what measures were adopted by the government to ensure the preparation of suitable plans of construction and the proper execution of the same.’ Surely it does not come within that?

Mr. MONK.—No.

The CHAIRMAN.—(Reading) ‘and what security the government at present possesses for the sums already received by, and guarantee given to the company.’

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Mr. MONK.—That is the financial aspect.

The CHAIRMAN.—But still the financial aspect is limited as to the security received by the government for advances.

Mr. MONK.—Well, Mr. Chairman, I suppose I would have the right to ask any ordinary witness if he knew that the Phoenix Bridge Company was financially capable of standing this disaster, as to whether the bridge company had any assets.

The CHAIRMAN.—Except that I am suggesting you would be opening up a new subject which would be a very lengthy one.

Mr. MONK.—It is not a new subject.

The CHAIRMAN.—It would be an unsatisfactory way. No man here could give any evidence except by producing the Phoenix Bridge Company themselves.

Mr. BARKER.—The only point is whether the Finance Department has made inquiry?

Mr. MONK.—We have before us the witness who would be supposed to know most about this matter, and I was asking him as to whether he knew anything about the financial position of the Phoenix Bridge Company. Surely that comes under the last part of the order of reference, to find out what security we have for the advances already made. The bridge has fallen. Who is responsible for the accident? *Prima facie* it would be the Phoenix Bridge Company. It is very interesting for us to know if we have any security by which we can claim the execution of the obligation. The obligation apparently devolves upon the Phoenix Bridge Company of delivering to us a complete bridge.

Mr. GALLIHER.—We cannot determine that, nor can the Department of Finance.

Mr. MONK.—But asking the question is perfectly right.

Mr. BARKER.—It has been answered.

The CHAIRMAN.—I am only trying to see that we do not go too far.

By Mr. Barker :

Q. Our position is really that of sureties, and even to take the bridge over. Is not that the substance of the contract of 1903?—A. It is rather a legal question as to what our position is.

Q. A business question?—A. I would not call ourselves sureties, I would not say so. It might be applicable however.

Q. What should we call ourselves, guarantors?—A. I would call ourselves guarantors.

Q. That is another word for sureties, with an option, in certain events, to take over the property?—A. Yes.

Q. I presume the government regard that bridge as a necessity, as part of the great Transcontinental Railway?—A. I think even without the Transcontinental Railway the government and parliament had decided that a bridge there was necessary in the public interest.

Q. The bridge having gone, have you, or the government, considered the expediency of taking this work out of the hands of the Quebec Bridge Company?

By Mr. Galliher :

Q. I think now we can interpose an objection?—A. I have no objection to answering that question. The matter is under consideration at the present time.

By Mr. Monk :

Q. But you have come to no conclusion upon it?—A. Officially none. That is to say there has been no official action taken which determines it. We may have conclusions in our minds.

Q. When the guarantee was endorsed I suppose that was done in your department?—A. Yes.

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Q. At that time you, I understand, were under the impression that the \$200,000 had been actually paid in?—A. Yes.

Q. Had you been aware that it had not been paid in would you have considered it improper to guarantee the bonds?—A. It is very difficult for a man to say what he would have done under a certain condition but speaking offhand I think I would not.

Q. You would not?—A. I would have required evidence that the cash had been paid.

Q. Would you have considered it, as a matter of business in your department, sufficient that a gentleman had put a cheque, unmarked by any bank, for a considerable sum like \$200,000, thrust into the hands of the bank, would you, as Finance Minister, have considered that a compliance with the statute?—A. My impression is I would not have thought it a compliance.

Q. I would have expected you to say that?—A. I certainly was not aware of it at the time.

By the Chairman :

Q. You were acting on Mr. Schreiber's certificate?—A. No, it was not Mr. Schreiber's certificate, it was a certificate given by the president and secretary of the company that this money had been actually subscribed and paid up. That was the certificate we accepted.

By Mr. Barker :

Q. When you entered into this agreement which recites that the provincial subsidy of \$250,000 had been paid, you did not know that, I presume, as a fact? You accepted that statement?—A. That was the recital in the Act of parliament?

Q. I am speaking of that?—A. Yes.

Q. It is recited in the agreement?—A. But it is also recited in the Act of parliament if I remember.

Q. No agreement is recited in the Act?—A. Yes, in that way.

Q. You accepted that statement?—A. I was under the impression that that correctly described the situation. I learned afterwards that the Quebec government had undertaken to supply that amount of money in instalments. They had supplied all they were called upon by their agreement, but the full amount had not been paid.

Q. At the time you accepted this statement as correct?—A. Yes. They came to us. In the general negotiations I cannot quite tell who was responsible. I cannot recall from whom I obtained the recital.

Q. You did not investigate the strict, literal accuracy of this statement?—A. I did not. I was aware the Quebec government had made a contract, but I did not turn to their Act to ascertain the precise form in which it was done.

Q. Did you ascertain that at that time the bridge company was entitled to receive a bonus or whether it had been transferred to anybody?—A. I do not remember any special inquiry about it.

Q. Did Mr. Cooper, as consulting engineer, act for the government directly?—A. I would think the records would have to show that; my impression is that Mr. Cooper was not first chosen by the government, but was accepted by them as the highest authority they could get.

Q. How do you mean? Accepted and approved of as the consulting engineer of the Quebec Bridge Company?—A. I would prefer that the records should show that, my memory of the matter is that the Quebec Bridge Company nominated Mr. Cooper and that Mr. Schreiber said there could be no better man than Mr. Cooper, and that as the interests of the Quebec Bridge Company and of the government were identical there was no good reason why we should not accept him.

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Q. So far as your knowledge goes was Mr. Cooper ever employed and paid for his services by the government?—A. I could not state who paid him, we were certainly aware he was being employed.

Q. So far as your knowledge goes was he ever employed by the government with any duty to the government exclusively, and did the government ever pay him for any services?—A. I would have to have the records to show that.

Q. I ask you, speaking as a matter of memory?—A. I could not speak from memory, the papers no doubt would show that. My recollection is that Mr. Cooper was nominated by the Quebec Bridge Company and that Mr. Schreiber advised us that the interests of the Quebec Bridge Company, and of the government, were identical, and that as Mr. Cooper was a man of the very highest reputation in his profession we would be quite safe in accepting his advice; that is my general recollection of it.

Q. You will not, I suppose press your memory so far as to say that was actually put in the words you have used?—A. I think it was in the general discussion between Mr. Schreiber and myself, but if the papers say otherwise the papers will give the correct story.

Q. I do not say the papers show otherwise, but you put it in short terms and it struck me that it was hardly likely to happen in exactly those terms?—A. That is exactly what did happen; Mr. Schreiber said that Mr. Cooper was a man of great eminence, and as the interests of the two concerns, the Quebec Bridge Company and the government, were identical and not adverse, therefore the nominee of the Quebec Bridge Company, if he were a man of sufficient eminence, could safely be accepted by us; that is my memory of it, but I do not say that I am absolutely correct.

Q. But you knew, as a fact, did you not, that he was employed as consulting engineer to the Quebec Bridge Company—A. I think I did.

Q. And Mr. Schreiber approved of him in that capacity?—A. That is my recollection, but in a matter of engineering of that character I would not charge my memory with the details.

Q. Can you recall when Mr. Blair resigned as minister?—A. In the summer of 1903, I could not give the date, but it would be in July or August, I think.

Q. After he resigned, I take it that you acted as minister?—A. Either immediately or a very short time after, I took charge of the department.

Q. And who was appointed in the place of Mr. Blair?—A. Mr. Emmerson was appointed some months later.

Q. He was appointed some months later?—A. Yes.

Q. And up till the time Mr. Emmerson was appointed I presume you continued as acting minister?—A. Yes.

Q. After Mr. Emmerson came in did he take full charge of everything?—A. Oh, yes.

Q. I mean in connection with this matter?—A. In connection with all matters relating to his department, not this matter particularly.

Q. Did you have any conversation with him about it?—A. I have no special recollection, but I may have mentioned the matter to him.

Q. You took it up where you found it when Mr. Blair went out, and Mr. Emmerson took it up where he found it when he was appointed?—A. At all events I dropped it when Mr. Emmerson was appointed. How far he took it up—he will have to speak for himself.

By Mr. Gallihier :

Q. You said in reply to a former question you did not care to say what you would do at a certain time and under certain conditions; I am afraid I will have to put a question directly along that line. It is in evidence here that although \$200,000 was certified to as being paid under the terms of the statute on account of the new stock,

there was in this a cheque for a considerable amount by Mr. M. P. Davis. It has been stated in evidence here that the money for that cheque was available from the moment that it was received; it has also been stated in evidence that the bridge company did not think it was to the best interests of the company that Mr. Davis, who was the contractor for the substructure, should have too large a holding of stock in the bridge company. It has also been stated in evidence that this cheque was being held and not converted into cash on the understanding that a portion of the shares that would go to Mr. Davis for this cheque in the ordinary way, would be taken up by others. Further, it was stated in evidence that afterwards certain shares were taken up by others and this cheque was then reduced to the amount of \$94,900, and that it was only some months after when the cheque was eventually converted into cash. Now, I am giving you that statement of fact concerning the matter because you have stated to Mr. Barker that you did not consider that as paid in cash. Had that point come up in the first instance when the cheque was put in and had that explanation of the company as regards the position of Mr. Davis been given—also the fact that at any moment the cheque could have been converted into cash—with that explanation before you, do you still say that the company had not substantially, if not technically, complied with the requirements of the Act?—A. That obliges me to say again that it is so hard for one to say what he would have done under certain conditions because he has to listen to all the reasonings that are given to him, and which urge him to adopt a certain course. But when I first learned that cheque had not at the time been converted into cash, in other words, that the \$200,000 was not actually paid in cash, I was surprised, that was what was contemplated; of course I had no explanation at the time. But later on reasons were given why the company took this course; under those circumstances I do not know what I might possibly have done. I still think where the statute required the payment of money in cash, although these reasonings under other circumstances might be quite proper, and while under those circumstances there may be reasons that show the good faith of the promoters, still where the statute requires absolute payment in cash I think I would have to hold that that cash would have to be in the treasury.

The CHAIRMAN.—I think this is quite clear that the statute requires payment in cash, but could you not say this is a substantial compliance with the requirements of the statute?—A. When I hear the explanation given by the company there is a great deal of force in it, and I am not saying that it was not a reasonable explanation, but I do not think it was that strict compliance with the statute which I was bound to consider.

Q. Had you been considering it as a business man, without the provisions of the statute, it might have been all right?—A. Yes.

By Mr. Galliher:

Q. Now with regard to a question by Mr. Monk respecting the appointment of another engineer, if the government had insisted upon going on and appointing another engineer, what would your position have been with regard to Mr. Cooper, and what would Mr. Cooper's action have been?—A. It would appear that we had to get the services of Mr. Cooper under those terms or not at all.

Q. So that had you insisted upon going on and appointing another engineer you would have lost the services of Mr. Cooper who had the highest reputation as a bridge engineer?—A. That is the impression I would draw from the passage quoted by Mr. Monk and from what little recollection I have of the facts.

Q. Now, just one more question. In reply to Mr. Monk in reference to some advances under the first subsidy and also under the new bonds, you say the liability of the government would be on the basis of the two sums, but the government would have as an asset against that, would they not? the substructure and the approaches?—A. Oh yes, so much of the work as is useful for the reconstruction is a substantial and valuable asset.

Witness retired.

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Mr. ROBERT C. DOUGLAS, called, sworn and examined.

By Mr. Monk:

Q. Mr. Douglas, I find on page 41 of the report of the Royal Commission to investigate the bridge disaster, the following (reads):—

‘Owing to the terms of the subsidy agreement of November 12, 1900 (Exhibit No. 12), it was necessary to have these amendments approved by the government, and they were accordingly transmitted to Mr. Schreiber by the Quebec Bridge Company. Mr. Schreiber handed the papers to Mr. Douglas for report shortly after they reached his office, and on July 9, 1903, Mr. Douglas made his report in writing (Exhibit 63). In it he advised the adoption of many of Mr. Cooper's suggestions, but criticized the high unit stresses that were proposed, and the suggestion made in the memorandum as to using the bridge for heavier rolling loads than those specified in the amendments. He also advised that the Quebec Bridge Company be required to submit new specifications, and not merely amendments to the approved Hoare specifications.’

Will you please state in language as little technical as possible what was the nature of this condemnation, or part condemnation, which you made of the specifications?—A. Well the—

Q. What was it you found fault with?—A. It was the excessive unit stresses of the compression members and the general members of the structure. I cannot say what would be the nature of it except technically. I cannot say how it worked out. As I understand, the commission have reported that the Hoare specifications were a sort of copy of the Department of Railways and Canals general specifications of bridges of 1896, it was founded on the general specifications of 1896.

Q. Have you those ordinary specifications?—A. Yes. And since that time there was a specification written by myself in 1889. Then there is another specification in 1891; while my report of July 9, 1903, recommended the adoption of some of Mr. Cooper's increases of stresses and loadings, but condemned the unit stresses of the general members of the structure. These general specifications of the Department of Railways and Canals were for bridges up to 500 feet span, and did not embrace bridges of excessive span, such as the Quebec bridge. Referring to my report, taking a typical compression member, there would be a stress of 14,100 lbs. on the square inch ordinary load and 18,150 extraordinary load. Mr. Cooper's recommended stress was 21,000 ordinary and 24,000 extraordinary.

Q. These figures you have just given are in the ordinary specifications prepared by the department for bridges whose spans do not exceed 500 feet?—A. Yes. But you asked me what my recommendations amounted to?

Q. Yes.—A. Well, it means just as I have expressed it.

Q. You did not find that sufficient for a bridge of these dimensions?—A. No. I showed the difference between the stresses that I recommended and the stresses that Cooper recommended.

Q. I see?—A. It is in the report there. I advised the adoption of the 1891 specification; as we had a subsidized bridge. Of course I only looked at it as a subsidized bridge and I had nothing to do with it afterwards. I had nothing to do with the superstructure.

Q. Are you the engineer in charge of that branch of the department?—A. I am a hydraulic and bridge engineer; I do not claim to be a steel expert.

Q. And in that capacity you are employed by the department?—A. Yes, to supervise the foundations, the substructure as well as the superstructure.

Q. You reported, if I understand you properly—?—A. Upon the weaknesses of Mr. Cooper's amendments.

Q. On the bearing powers of the bridge?—A. The ultimate conclusion would be the weaknesses, but the unit stresses are the most important thing in a bridge. The

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first thing in a bridge is unit stresses, secondly the general design, and thirdly the detail. In designing a bridge you design on the unit stresses first, that is so many pounds to the square inch. That is matter where engineers differ.

Q. Have you expressed the difference between your own appreciation of what the unit stresses ought to have been and what you found in Mr. Cooper's amendments to the specifications?—A. Yes.

The CHAIRMAN.—It is already stated.

The WITNESS.—I have stated it in my report as well as I can explain it. That would be as clear as I could explain it.

By Mr. Monk:

Q. Was your report acted upon?—A. No, it was not acted upon. I suppose Mr. Schreiber consulted with Mr. Cooper and they decided not to accept my recommendations.

Q. From the time you handed in this report to Mr. Schreiber had you anything at all to do officially with the construction of the bridge?—A. No, I had nothing to do with the construction of the bridge. The plans would come under me for examination.

Q. The plans would come under you?—A. They did come under me for examination. I examined them to see that they were in accordance with Mr. Cooper's specifications that had been adopted.

Q. How is the government's approval of plans given, is it by the signature of the minister on the plans?—A. No, the approval is given by the signature of the chief engineer; he approves. In the case of subsidized bridges we don't require the details, the general design is sent into the department. I mean to say the Department of Railways and Canals do not come responsible for the details because they would have to have a large staff to examine plans and whoever became responsible for the details of all subsidized bridges. In the case of subsidized bridges there is a certain loading and a certain specification and the general design is sent in and approved, but the Department of Railways and Canals does not render itself liable for all details of a bridge.

Q. The unit stresses are considered?—A. The unit stresses, yes, and the general design.

Q. Do you remember the date of the approval of the plans by the government?—A. The approval was not by the government. The plans were not approved by the government but by Mr. Schreiber.

Q. Well, by Mr. Schreiber?—A. That is, I think, in the documents, I don't remember. They were approved at various times as they came in by Mr. Schreiber.

Q. The substructure was approved by Mr. Schreiber?—A. The substructure I am responsible for. I approved of the plans and examined the substructure and was there at repeated times during construction; but as to the superstructure of the collapsed bridge I was never on the work.

Q. Who modified the plan based on the main span of the superstructure?—A. The main span?

Q. Yes?—A. I do not know.

Q. Because the plan was altered you know?—A. I do not know. That ought to be in the evidence, I have no personal knowledge of it. I think approval was made on the 1,600 feet span and, of course, when it was altered to the 1,800 feet span Mr. Schreiber approved of it. I presume the government would endorse it in that way. I do not know whether there was an order in council sanctioning the increased span.

Q. Was the plan of that span ever officially approved?—A. The 1,800 feet span?

Q. Yes?—A. I presume so.

Q. And it was approved by whom?—A. It should have been approved by Mr. Schreiber.

Q. Did you make any special report of that 1,800 foot span?—A. No, except as to unit stresses.

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By the Chairman:

Q. What do you mean by 'unit stress'? Is that the individual piece or member?—A. No, a unit stress is the number of pounds per square inch it is considered judicious to stress the metal, for instance 10,000 pounds per square inch should be the unit stress in a member of a bridge in the opinion of an engineer, but another engineer may recommend 12,500—

Q. That is tension?—A. A tension or compression stress, whichever it may be, that it what is called unit stress.

By Mr. Monk:

Q. Are you in a position to state that this accident could have been avoided by the adoption of the unit stresses you recommend?—A. To answer that question is a very large statement, but I think—

The CHAIRMAN.—You should hardly put that question, I think, Mr. Monk.

By Mr. Monk:

Q. Would it have increased the strength of the bridge?—A. It would have increased the strength of the various members of the trusses, I can make this general statement that if these suggestions had been adopted it would have increased the weight of the bridge generally.

By Mr. Barker:

Q. Would that unit stress you recommend have any bearing on the bridge?—A. It would have increased the weight of the members 30 or 40 per cent, 35 per cent anyway, that is my opinion, considering the error in dead load weight disclosed by the Commission.

Q. But speaking generally it would?—A. Yes. I might say that the experiments that have been made as a result of the collapse of this bridge corroborate my recommendations.

Q. Experiments made since?—A. Yes, experiments made by the Phoenix Bridge Company.

By Mr. Galliher:

Q. That is since the collapse?—A. I say that the experiments made by the Quebec Bridge Commission at Phoenixville bear out the contention that my recommended unit stresses were not too low.

By the Chairman:

Q. Are there any other well known bridges built where the unit stresses are any greater than those of the Quebec Bridge that you know of?—A. The bridge—of course this is hearsay from the newspapers—the bridge at Blackwell's Island, New York, which is a large cantilever, is being built with an excessive unit stress.

Q. 'Excessive unit stress,' that means?—A. Too much stress on the metal.

By Mr. Barker:

Q. 'Excess' means too much stress, not that it is too strong?—A. Yes, too much stress and by the newspapers I notice that since the collapse of the Quebec Bridge, there has been a commission of engineers inquiring into that matter and I understand they are now reinforcing some members of the Blackwell's Island bridge.

By Mr. Galliher:

Q. How long has that bridge been built?—A. It is being built now. The only other bridge that was before me at the time I made that report, the longest bridge in the world of the American type of cantilever was the Monongahela bridge and Mr. Cooper's stresses were much in excess of the stresses on that bridge.

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By the Chairman:

Q. Mr. Cooper is a man eminent in his profession?—A. I presume so.

Q. Is it only presumption?—A. I do not know anything about it, I met him on the substructure.

Q. Is he not a man of very high standing in his profession?—A. Yes, he was.

Q. He was looked upon as the leader of his profession, was he not?—A. Not exactly, not among professional men; a good many others were considered better engineers.

Q. But on bridge building, though?—A. Yes, he had a reputation on bridge building; I have met him several times on the substructure; of course, I never go on reputations; I have seen too many of them. But he had a great reputation, there is no doubt about that.

By Mr. Monk:

Q. Mr. Douglas, in the position you occupy in the department, what course do you follow generally with regard to bridges that are subsidized? I mean by that, how do they first come under your observation?—A. Take the concrete example of the Quebec bridge. I was instructed by Mr. Schreiber and handed a subsidy agreement—

Q. I would like you to point out the course that is generally followed?—A. Well, this is the course generally followed: he instructed me to visit and give estimates on the cost of the Quebec bridge, handing me a subsidy agreement which said there should be \$1,000,000 paid as subsidy to the Quebec Bridge Company. I take that subsidy agreement and examine the plans, and recommend their approval by Mr. Schreiber; then I go down upon the work and examine it as it is constructed, and monthly I give estimates on a percentage of the subsidy according to the amount of work done that month by the Quebec Bridge Company. My final estimate is, I suppose, among the papers. In my final estimate there appears the actual cost of the substructure and the amount of subsidy paid on it.

Q. You have just referred to the Quebec bridge; did you pursue the usual course in regard to the superstructure?—A. No, I examined the plans of the superstructure, but I was not instructed to inspect it.

Q. You were not instructed to inspect it?—A. No.

Q. In the case of other bridges subsidized by the government is it you who generally have the task of preparing the progress estimates?—A. No, except in large subsidies, not with regard to the small subsidies, except in a case like the Quebec bridge. In the case of the smaller bridges the plans for the superstructure are forwarded, and I recommend the approval of the plan, the plans are approved and Mr. Johnston, I presume, inspects the bridge to see if it is constructed according to the approved plan; I do not go down; Mr. Johnston inspects the railway work and the bridges would be embraced in his work of examining the railway, he would examine the bridge to see that the bridge is completed and the subsidy would be paid on his estimate. It is only the important bridges that I have been instructed to inspect.

Q. In the case of important bridges, do you inspect them during their progress?—A. During progress and afterwards on completion. I mean, take the Quebec bridge, we could run test engines and train loads over it, as provided for in the specifications, before accepting it.

Q. Did you do that inspection from time to time on the Quebec bridge?—A. I inspected the substructure; I never saw the superstructure until it fell down; I was not instructed to inspect it.

Q. Who inspected the superstructure for the government?—A. Mr. Hoare and his assistants, I presume.

The CHAIRMAN.—I think there is no use wasting time on this evidence. this is already on record.

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By Mr. Barker:

Q. The question I submit is a plain one, 'Who did inspect it for the government'?

—A. I understand the evidence before the commission says that Mr. Johnston gave the estimates; I do not know whether it means he inspected the construction.

By Mr. Monk:

Q. It was Mr. Johnston who was specially named by the government to make the estimate?—A. Not by the government, it was Mr. Schreiber; the Quebec Bridge Company's work, I understand, starts at Quebec city and ends at the junction with the Intercolonial Railway; it all comes in together; Mr. Johnston was inspecting the construction of the roadbed of the Quebec Bridge Company, which includes the terminals, &c., and I understand he gave the certificates of the amount of metal that was used in the bridge and its cost.

Q. What is Mr. Johnston's ordinary position in the department?—A. He is the railway inspecting engineer.

By the Chairman:

Q. How long have you been in the Department of Railways?—A. Too long, 37 years, a long while.

Q. You went in as a young man?—A. At 25.

By Mr. Barker:

Q. Were you present at any of the discussions with Mr. Schreiber about these plans and specifications?—A. Mr. Cooper came to Ottawa to consult with Mr. Schreiber—

Q. Were you present at the consultation?—A. No, I was not present.

Q. Had you any discussion with anybody about these specifications, and if so, was any question, or was any weight given to the question of economy in construction, the saving of unnecessary expense?—A. No, there was no discussion in my presence in regard to economy.

Q. To economy of expenditure, I mean?—A. Yes, economy of expenditure.

Q. You did not hear anything about that?—A. No.

Q. I ask that because I see here at page 40 of the report of the Royal Commission that Mr. Cooper in a letter to Mr. Parent suggested that he be instructed, 'To make such modifications in the adopted competitive plan when adapted to the new lengths, as may tend to reduce the cost without reducing the carrying capacity or the stability of the structure,' did you hear any question of that kind discussed?—A. I have never heard that discussed, but my general information is that Mr. Cooper decreased the weight of metal in what is called the floor system, which recommendation I endorsed; he lessened the dead load.

Q. These were recommended by you?—A. Yes, he reduced the weight of the floor system in his amendments.

Q. I see here, on page 41 that he, that is Mr. Cooper, 'was throughout impressed with the necessity of making his changes without adding to the financial demand on the resources of the company'?—A. I do not know anything about that at all.

Q. You did not hear about that, that there was a discussion about keeping down the cost of the bridge?—A. No, sir, except that he was correct as far as the floor system was concerned, it lightened the dead load and the stresses as well.

Q. Your recommendations for altering the unit stresses would have added to the cost I presume?—A. Oh, certainly.

Q. Materially?—A. Yes, it would have added a great weight of metal.

Q. And, therefore, to the cost of the bridge?—A. To the cost of the bridge.

Q. When the change of span was made from 1,600 to 1,800 feet, I presume that change of 200 feet was a very important addition?—A. Yes.

Q. To the structure?—A. Yes.

Q. And required very serious consideration?—A. Very serious consideration.

Q. Especially with the knowledge that engineers have——?—A. Of bridges of that kind.

Q. Of the spans of such a bridge?—A. Yes, sir.

Q. Did you pass any judgment upon that at all?—A. No, I passed no judgment upon it.

Q. Would that have rendered more necessary than ever, your provision as to the stresses?—A. Certainly it increased the size of what have been proved the weaker members.

Q. Your recommendation as to allowing for stresses was as to the span of 1,600 feet?—A. No, the 1,800 feet span. It was afterwards, in July, 1903, after the adoption of the 1,800 feet span.

Q. Was any change made to your knowledge, with regard to the stresses, between the 1,600 feet and the 1,800 feet span?—A. I am talking generally. The 1,600 feet span, the contract was let by the Quebec Bridge Company under the specifications prepared by Mr. Hoare.

Q. That is the 1,600 feet?—A. The contract was let on the 1,600 feet span. Then it was extended, the same contract, to the 1,800 feet span as I understand.

Q. At Mr. Cooper's suggestion?—A. That was between the Quebec Bridge Company and Mr. Cooper. I have no personal knowledge.

Q. But it was after the extension to 1,800 feet that you made your suggestion?—A. That I made my official report? Yes, it was after the adoption of the 1,800 feet span. I presume it was due to the adoption of the 1,800 feet span that Mr. Cooper proposed his amendments.

Q. You said that the tests made afterwards had proved the accuracy of your statements?—A. No, I did not say that. I did not say it proved their accuracy. I say I made recommendations and subsequent tests corroborate my recommendations as to unit stresses.

Q. They corroborate them?—A. Well, that is a different expression.

Q. They showed the necessity for greater weight?—A. The experimental tests show that the unit stresses were excessive, and that there should have been greater weight of metal or area of cross-section in the various members of the bridge, especially the compressive members.

Q. That is what you mean by corroborating? I take that as confirming somewhat your opinion?—A. Somewhat.

By Mr. Galliher:

Q. Is not the tendency of modern engineering to dispense with the heavier class of material, that is, an unnecessarily heavy class of material in bridges?—A. The tendency in modern bridge building in the United States is lessening the dead weight by adopting what is called high carbon steel or nickel steel.

Q. And that, as I say, does away with unnecessarily heavy structures?—A. Yes. If there is 40 or 50 per cent of nickel steel in a bridge that is 40 or 50 per cent stronger than the ordinary steel or steel of the quality in the Quebec bridge. It consequently lessens the dead weight.

Q. And lessens the dead weight?—A. Lessens the dead weight and is stronger.

By the Chairman:

Q. The dead weight is the weight of the bridge itself?—A. The weight of the steel or other materials entering into the construction of the superstructure of a bridge.

By Mr. Galliher:

Q. The weight of the material?—A. The weight of the material. Nickel steel costs more.

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Q. And that is the general tendency of modern engineering?—A. That is the general tendency. In the Blackwell's bridge what are called the eye-bars, that is the tension members, are all nickel steel. In the Manhattan suspension bridge what is called the suspension truss is some 50 per cent nickel steel, and I presume that nickel or high carbon steel is what the Quebec bridge will be built of ultimately. A span of 1,800 feet may be considered excessive for ordinary structural steel.

Witness discharged

Mr. MONK.—I understood that Mr. Ross, of the Finance Department, was to give us a statement as to how the account stands with the Bank of Montreal.

The CHAIRMAN.—He has done that.

Mr. MONK.—There was a statement given by Mr. Parent to the government showing the financial position of the company. Mr. Parent told us he has furnished one to the government.

Mr. ROSS.—Since the bridge collapsed?

Mr. PARENT.—I never said that. We came to the government with an application for assistance to meet our current expenditures. That is all I said.

Mr. MONK.—I remember, but I might be mistaken, that I asked you if you gave to the government in writing a statement of your affairs.

Mr. PARENT.—Oh, no, you won't find that in my evidence.

Mr. MONK.—We want that, of course, from the company. I thought it had been handed into the government.

Mr. PARENT.—Mr. Bell gave you the whole thing from the company's standpoint.

Mr. ROSS.—Let me read you what Mr. Parent said on the subject (reads):

'By Mr. Monk :

'Q. Can you by examination of the books tell us what the liabilities are, outside the liabilities to the Bank of Montreal and what the assets are?—A. There might be, for instance, you may have claims, there may be claims against them and you would have to take the legal form of publicly calling for all claims against the company in order to do that.

'Q. You might include only the claims that come in?—A. And the claims for damages, and the assets, they would not be in the books.

'The CHAIRMAN.—The secretary of the company should give that if any one does, Mr. Bell would not know that.

'Mr. PARENT.—They owe salaries for the last month.

The CHAIRMAN.—Is that all you owe.

'Mr. PARENT.—Yes.

Mr. MONK.—Is there no floating debt?

'Mr. PARENT.—No, and there never has been any floating.

'Mr. BARKER.—What about your liability to the Phenix Bridge Company?

Mr. BARKER.—Have we here a complete statement of the liabilities of the bridge company including what may possibly be owing by them to the Phenix Bridge Company?

Mr. ROSS.—Well, I have just read Mr. Parent's view of the company's possible liabilities, including the liability to the Phenix Company.

Mr. BARKER.—He says that is a possible loss?

Mr. ROSS.—That is a question of law, he says.

Mr. BARKER.—But still they must know what they would have to pay to the bridge company assuming that the bridge company was in no way in fault.

The CHAIRMAN.—That is in Mr. Parent's statement, is it not?

Mr. ROSS.—I do not know I am sure. I was going on to observe that that has no connection with the government's relation to the matter.

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Mr. BARKER.—For instance, the government might not be obliged to pay all the guarantee. It depends upon how much the Quebec Company has to pay out.

Mr. ROSS.—I would assume that the government, even if there is a liability to the Phoenix Bridge Company—

Mr. PARENT.—The last estimate was not paid.

Mr. ROSS.—Supposing there was a liability there, is no obligation that I know of by which the government will have to pay that liability.

Mr. BARKER.—They would have to pay it to the Quebec Company who in turn would pay it to the Phoenix Bridge Company.

Mr. ROSS.—I do not know that they would have to pay it to the Quebec Bridge Company.

Mr. BARKER.—Up to the amount of their guarantee.

Mr. ROSS.—Oh, not necessarily. The Act of 1907 is an enabling Act under which the government can lend to the Bridge Company if they like.

Mr. BARKER.—Supposing the Bank of Montreal, for example, have made an advance, or is in any way liable to this Phoenix Bridge Company. They have got somebody who is responsible to them or they may have a mortgage or lien on the bridge?

Mr. ROSS.—If the Phoenix Company have a mortgage or lien it is subject to the bonds that the government or the Bank of Montreal hold. It is no concern of the government what the Phoenix Bridge Company may claim against the Bridge Company.

Mr. BARKER.—We want to show what the obligations of the Quebec Bridge Company are; we want to know how much they owe anybody and everybody including the Phoenix Bridge Company. It may turn out that the Phoenix Bridge Company will say they are not responsible and they may want every dollar paid to them that is due.

Mr. ROSS.—And on the other hand the Quebec Bridge Company may say just the reverse, that there is a large liability on the part of the Phoenix Bridge Company.

The CHAIRMAN.—A statement might be made of the amount due to the Phoenix Bridge Company at the time of the collapse of the bridge.

Mr. GALLIHER.—That is a matter with which we have nothing to do in this inquiry.

The CHAIRMAN.—I do not think it has anything to do with the inquiry.

Mr. MONK.—I want to ask Mr. Ross a question; I asked Mr. Fielding if his department had taken any steps to ascertain the financial situation of the Phoenix Bridge Company, and I would like to ask you, Mr. Ross, if your department has taken any steps in that direction?

Mr. ROSS.—I think the record shows that Mr. Fielding stated to this committee to-day that there have been no steps taken to ascertain the present financial situation of the Phoenix Bridge Company, since the collapse of the bridge.

Committee adjourned.

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HOUSE OF COMMONS,

COMMITTEE ROOM No. 62,

WEDNESDAY, July 8, 1908.

The committee met at 3 o'clock pm., the chairman, Mr. A. K. Maclean, presiding.

The CHAIRMAN.—With reference to certain questions which were asked of Hon. Mr. Fielding yesterday, I have received a letter from Mr. Ross, of the Finance Department, containing the following statement:—

‘I find on inquiry from the Department of Railways that Mr. Fielding was appointed acting Minister of Railways on the 21st of July, 1903, and continued acting minister of the department until the appointment of Mr. Emmerson on January 15, 1904.’

Mr. G. A. BELL, recalled and examined.

By the Chairman:

Q. There were certain matters referred to at the last sitting of the committee concerning which Mr. Barker desired some further explanation?—A. I think I can give the committee an explanation in connection with the item of \$65,000 which I think will satisfy them. I have already furnished an explanation in connection with this item, but I will repeat it if you so desire. The \$65,000 which is spoken of as being over-paid is made up of two amounts, an over-payment of \$30,000 and \$35,000. Now, the \$30,000 over-payment was in connection with the Quebec government subsidy. The Quebec government granted a subsidy in aid of the bridge of \$250,000, and that was to be paid in annual instalments of \$30,000. After that subsidy was granted the bridge company assigned to Mr. M. P. Davis, who was then the only contractor on the work, being the contractor for the substructure, all their subsidies, including this \$250,000, and it was treated as if Mr. Davis had received \$250,000 in cash. Now, when they made this settlement, which appears in the Act as \$250,000 cash paid up in full, because at that time, as far as they were concerned, it had been paid—

Q. Mr. Davis accepted it?—A. He accepted it and he knew he was only going to receive it in instalments. But when this legislation of 1903 came up it was decided to wipe this off and pay Mr. Davis the balance that was owing on the subsidy. He was to assign back the subsidy and the balance that was due was to be paid him. That was done. Now when the payment was made to Mr. Davis he should have immediately assigned the balance to the Bridge Company but there was some little delay and in the meantime the payment of \$30,000 became due and was paid to him. As a result he was overpaid \$30,000. The other amount of \$35,000 was on a note. There had been accommodation notes floating between Mr. Davis and the company and at the time the settlement was made of his account the Bridge Company had drawn on him for \$35,000 and he had accepted it and in his books they were debited with \$35,000. When he rendered his account it was taken out of his books. That was included in the settlement and he was paid \$35,000, but when the note came due the Bridge Company met the note themselves as they had always done. He would accept and note debit them in his books but they would not meet the note when it became due. That made \$65,000. Mr. Davis had a contract running on the approaches and as is always done, or usually done, progress estimates were given. As his progress estimates became due 10 per cent was retained as drawback. Now his drawback reached in August, 1906,—

that was the last estimate that was made out—\$73,000, or would have been \$73,000, but some time before that the company decided to make an advance to Mr. Davis on account of drawback of \$65,000. Instead of paying him the \$65,000 in cash a cross entry was made and the \$65,000 which he owed them was placed against it, therefore, bringing Mr. Davis' drawback down \$65,000. One offset the other. Instead of the Bridge Company owing a drawback of \$73,000 odd, they owed \$65,000 less than that and that settled it. It was just a cross-entry, not a cash transaction. If the \$65,000 had not been owing he would have received an advance of that amount in cash on account of drawback out of bond account.

By Mr. Monk :

Q. Was there a receipt given, is there a voucher for that ?—A. Yes, by the engineers on the works, as is usually done. It is a common thing during the progress of a work for the engineer to report that the work has advanced to a certain stage and that a certain amount may be advanced on account of drawback. The directors in this case acted upon it and they made the cross-entry.

Q. Did you see any resolution of the Board of Directors of the Bridge Company ?—A. Yes, I saw the entries in connection with it. I saw Mr. Hoare's certificate to the president and directors authorizing the payment of the \$65,000 of drawback.

By the Chairman :

Q. There was a statement filed by Mr. Ross the other day showing the amount due the bank of Montreal. There was a credit taken of \$2,000,000 in the amount. How was that worked out, why is it put in that shape ?—A. As a credit ?

Q. Yes, the statement says 'less \$2,000,000 repaid by the company under chapter 35 of the Act of 1907.' What does that mean ?—A. To all intents and purposes this \$2,000,000 was paid to the Bank of Montreal but the transaction took place as between the Finance Department and the bridge company. That is the Finance Department turned over the \$2,000,000 to the Bridge Company. They paid off their debt, with it and received back a proportion of the guaranteed bonds which they handed over to the government as security for this loan of \$2,000,000. This they were authorized to do under the Act of last session. There was only a balance on the 30th April, 1908, of \$3,773,000. The debt of the Bridge Company to the Bank of Montreal was just reduced by that amount of \$2,000,000, leaving a balance of \$3,773,223 due. It is clearly set out in my report how the \$65,000 was dealt with. I thought Mr. Barker understood that.

By Mr. Monk :

Q. Was there a receipt given by Mr. Davis ?—A. Yes.

Q. You saw that ?—A. Yes, Mr. Davis acknowledged the receipt of the money.

The CHAIRMAN.—Is there anything else that you desire to bring forward, Mr. Monk, so that we can close up the evidence ?

Mr. MONK.—I have no more witnesses that I would like to see summoned except one. Mr. Barker wanted to know the last amount claimed by the Phoenix Bridge Company. Mr. Bell could give that.

The WITNESS.—The last estimate returned on account of the Phoenix Bridge Company was estimate No. 36, to 31st July, 1907, \$3,376,450.09. Would you like the payments and balance ?

Mr. MONK.—Yes.

The WITNESS.—The total payments to the 31st July, that is the total payments to date in fact, were \$3,061,372.81, leaving a balance of \$215,077.28. I see a note here 'No estimate has been returned for work done and material delivered during August.' You see the bridge fell about the end of August, although there was a great deal of material delivered and their estimate probably for that month would have been \$50,000 or \$60,000.

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Q. Can you tell us how much they would have been entitled to receive had they finished the work?—A. That is an engineering question.

The CHAIRMAN.—Mr. Parent can give you an idea better than anybody else. If the bridge had been completed, Mr. Parent, how much would have been payable.

Mr. MONK.—A million?

Mr. PARENT.—Oh no. It would have been half a million of dollars. The steel was paid for all the time.

Mr. MONK.—As it arrived?

Mr. PARENT.—As it arrived. In that estimate there we have got the steel manufactured at the Phoenix Bridge Company's shops.

The CHAIRMAN.—Now, Mr. Monk what is it you wish to say?

Mr. MONK.—There is one more witness I would like to examine and I would suggest that he be summoned for Monday. The testimony of that witness will be short and I think on Monday we can consider the report so as to be able to put it in on Tuesday.

The CHAIRMAN.—We cannot let it go until Monday otherwise the House will close before we get the printing done. We have not yet decided what exhibits will go in and there are a great number of them.

Mr. GALLIHER.—Who is your witness?

Mr. MONK.—A man named Béchard. He used to be book-keeper for the Quebec Bridge Company. He was employed by the company for a time and when the final settlement took place and the payment of \$800,000, I think, was made to the company or to Mr. Davis, he made all the entries. He was asked to fix up the books in such a way that these entries would go in properly. I would like to examine him.

Mr. PARENT.—The man you want is Narcisse Béchard, I know him, but he cannot give any information in reference to the matter, we could not get any information from him ourselves that we have not already got.

Mr. MONK.—I am informed that he can give us valuable information and I would like to have him summoned.

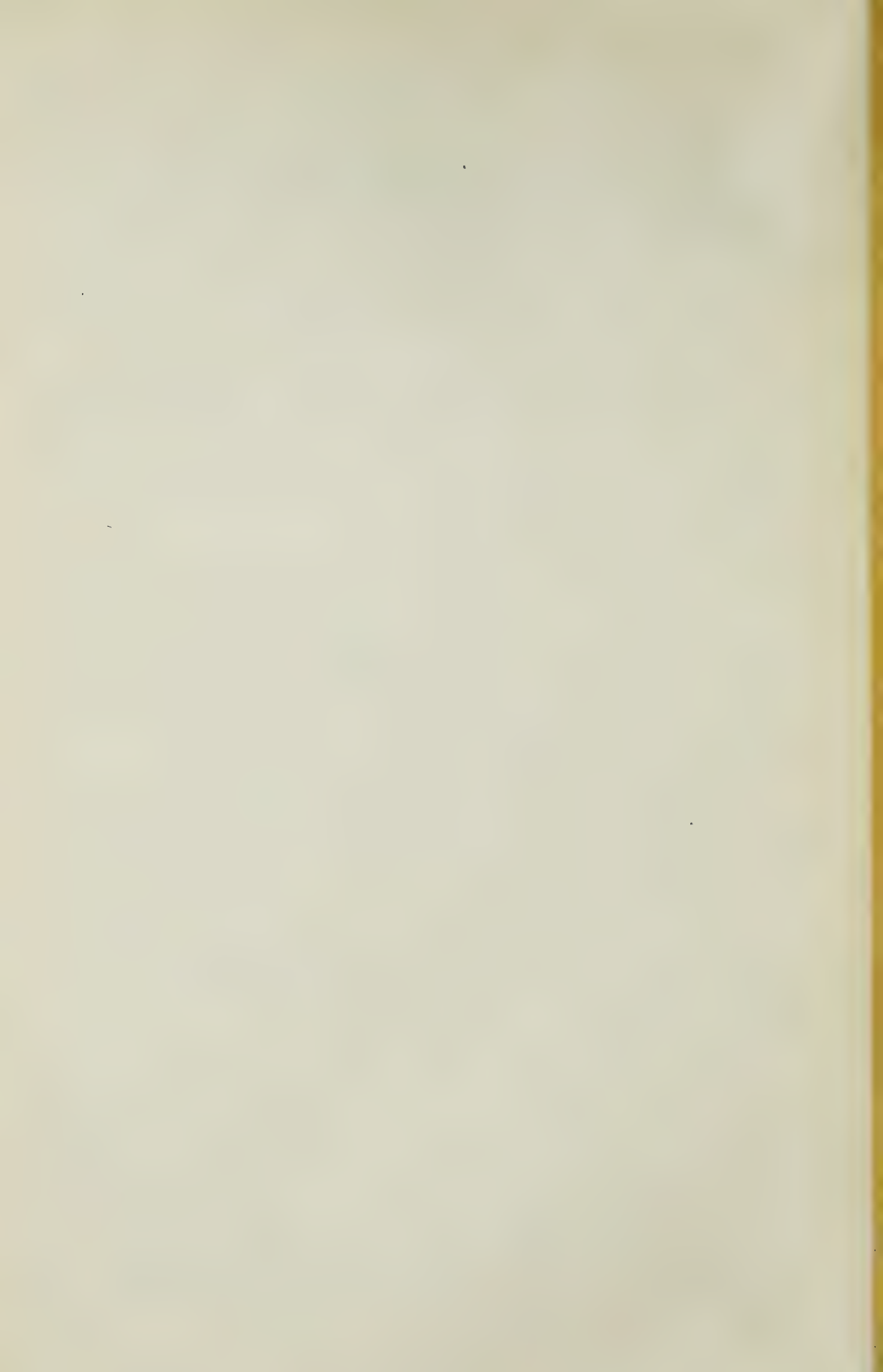
The CHAIRMAN.—Well, we will summon him by telegraph to appear to-morrow.

Mr. MONK.—I wish also to file for the information of the committee an appendix to the sessional papers of the session held in Quebec in 1896, Vol. 1, containing a very interesting report on the Quebec Bridge by C. E. Gauvin, and also a condensation of the report received from Sir Edward Sorrel, Mr. L. L. Light, Mr. E. A. Hoare, and the Eiffel Company.

Mr. PARENT.—That is about the location of the bridge, it does not refer to the question before the committee at all.

The CHAIRMAN.—There is no objection to Mr. Monk using these reports in the House without being put in as exhibits here; I do not think that they are pertinent to the matter before the committee, and therefore they should not be put upon the record.

Committee adjourned.



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